

## **The complaint**

Mr M has complained that Nationwide Building Society irresponsibly lent to him.

## **What happened**

Mr M took out four personal loans with Nationwide between May 2014 and August 2016. Mr M says that he couldn't afford the credit and that if Nationwide had done proportionate checks on his financial situation it would have realised he couldn't pay back the loans in a sustainable way.

Nationwide says it did all the necessary checks before it lent to Mr M each time and that it acted appropriately and fairly.

Our adjudicator thought that Mr M's complaint shouldn't be upheld. Our adjudicator didn't consider Nationwide did reasonable checks each time Mr M applied for a loan, but he couldn't establish what information Nationwide might have seen if it had done better checks.

The adjudicator asked Mr M for copies of relevant bank statements and his credit file showing his credit history around the time of each loan application. Mr M supplied one set of bank statements and this credit file did not cover the relevant dates. So our adjudicator concluded that he could not safely say if Nationwide had done more checks it would have seen information which would have indicated it shouldn't have provided the loans to Mr M.

Mr M did not agree, although he didn't explain why he disagreed. The complaint has been passed to me for a decision.

## **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

We've set out our general approach to complaints about unaffordable and irresponsible lending - including the key relevant rules, guidance and good industry practice - on our website and I've taken that into account when considered Mr M's complaint.

Nationwide needed to take reasonable steps to ensure that it didn't lend irresponsibly. In practice this means that it should have carried out proportionate checks to make sure Mr M could afford to repay what he was being lent in a sustainable manner. These checks could have taken into account a number of different things, such as how much was being lent, the repayment amounts, how quickly the debt was being paid off and Mr M's income and expenditure. There may even come a point where the lending history and pattern of lending itself clearly demonstrates that the lending was unsustainable.

Nationwide has said that it checked Mr M's payslips, his credit file and made an assessment of his household expenditure. I haven't seen evidence of the results of these checks, so I

don't know exactly what Nationwide would have seen and I can't safely say Nationwide obtained enough information about Mr M's circumstances at the time to make a fair lending decision.

We asked Mr M to provide his bank statements from around the time each loan was granted and for a copy of his credit file which showed the period before the loans were taken. Mr M was able to provide some bank statements. But they were only from one account when he'd told us he had at least two accounts. The bank statements did not show any regular financial commitments like rent or utility bills and seemed to be used almost exclusively for gambling transactions. I can see that Mr M regularly transferred money to and from another bank account. So I don't think these bank statements show a full picture of Mr M's financial circumstances at the time.

This might not have mattered if Mr M had been able to provide a copy of his credit file from around the time of each loan. Mr M told this service that he had a lot of payday loans and he was in financial difficulty which ought to have been recorded on his credit file and should have alerted Nationwide to the possibility he would find it difficult to sustainably repay the loans in question. Unfortunately, Mr M was only able to provide his credit file from shortly after the last loan was taken out. So, I don't know what Nationwide would have seen if it did more checks.

For this reason, I don't have enough information to satisfy me that had Nationwide completed proportionate checks that it would have seen anything which might have made it act differently and not provide the loans. And I can't say that Mr M lost out as a result of anything Nationwide might have done wrong.

### **My final decision**

I do not uphold Mr M's complaint, so it follows that Nationwide Building Society doesn't have to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 10 January 2023.

Sally Allbeury  
**Ombudsman**