

## **The complaint**

Mr S complains about National Westminster Bank Plc's decision to not consider him for a personal loan which he considers to be unfair.

## **What happened**

Mr S would like to take out a loan with NatWest for £2000 to £4000. The main purpose of the loan is to put down a deposit on a property in a different area so he can gain work and transform his life.

Mr S's complaint is about the unfair way NatWest's determine loan applications. He is a trustworthy person and feels he can comfortably afford to repay the loan he requires. However, because he is on benefits and NatWest use a digital system that consider credit scores and employment he will continue to be rejected. He feels the system in this country is broken and NatWest aren't considering him as an individual or treating him with compassion. And this and his inability to change his life is affecting his mental health and causing severe stress.

Mr S complained to NatWest. They explained their criteria and said they hadn't made any errors.

Mr S brought his complaint to our service as he would like NatWest to offer him a loan. He says he's been demonised, alienated and laughed at and is also seeking compensation for the distress and inconvenience caused. However, our investigator couldn't see that NatWest had acted unreasonably.

As Mr S remains dissatisfied, his complaint has been referred to me to look at.

## **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.

Having done so, I'm not upholding this complaint and I will explain how I've come to my decision.

I'll focus on what I think are the important points to reach a final decision. But I've carefully considered all the points Mr S has made, even if I don't specifically address them all.

Having listened to all the calls on file, I recognise how important it is for Mr S to move to new accommodation in a different location. In order to do so, he needs funds to pay a deposit which, regardless of being unemployed and on benefits, he knows he can afford. So, I empathise with his position here and understand his frustration in previously being turned down for a loan and the vicious circle of a loan rejection having a detrimental impact on his credit score.

However, there are limits to how our service can help here. This is because we are not the regulator of financial services and banks:

- Have a responsibility to make sure any loan or borrowing they provide is affordable
- Devise and apply both affordability criteria and assessments to make fair lending decisions
- Are entitled to make commercial risk-based decisions

So, although I'm persuaded that Mr S is trustworthy, reliable and has the funds to pay a loan, I can't tell a bank to make an exception to their criteria and / or persuade them that there isn't a risk that the loan will not be paid back where for example a customer isn't currently generating an income, doesn't have the recent credit history or meet other parts of their criteria.

With regards to Mr S's calls with NatWest, I'm satisfied that their staff treated Mr S kindly and respectfully. Also, they've given Mr S advice on how he can apply for a loan and signposted him to the citizens advice bureau and local authority so Mr S can consider other options.

Having completely reviewed the file, whilst I empathise with Mr S's position, I also can't see that NatWest have made any error or treated Mr S unfairly or unreasonably. So, I'm not upholding this complaint.

### **My final decision**

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 3 April 2024.

Paul Douglas  
**Ombudsman**