

## **The complaint**

Ms D complains that National Westminster Bank Public Limited Company (NatWest) have irresponsibly lent to her.

Ms D is represented by a claims management company in bringing this complaint. But for ease of reading, I'll refer to any submission and comments they have made as being made by Ms D herself.

## **What happened**

Ms D was approved for a NatWest credit card in October 2023 with a £2,300 credit limit. Ms D says this was irresponsibly lent to her. Ms D made a complaint to NatWest.

NatWest did not uphold Ms D's complaint. They said they used data from Credit Reference Agencies (CRA's) and the Office of National Statistics (ONS), and they were unable to agree they acted irresponsibly in providing the credit to her. Ms D brought her complaint to our service.

Our investigator did not uphold Ms D's complaint. He said there was no negative information about Ms D from the checks NatWest completed, and the affordability checks showed that the repayments would likely be affordable for her. Ms D asked for an ombudsman to review her complaint. She asked if NatWest had included a total amount of her unsecured debt (eg her revolving credit/loans etc).

## **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.

I must make it clear to Ms D that this complaint only focuses on her complaint about her NatWest credit card. I'm aware she has also made a complaint to them about personal loans, and our investigator will be in touch with her representative regarding this separately.

Before agreeing to approve the credit available to Ms D, NatWest needed to make proportionate checks to determine whether the credit was affordable and sustainable for her. There's no prescribed list of checks a lender should make. But the kind of things I expect lenders to consider include - but are not limited to: the type and amount of credit, the borrower's income and credit history, the amount and frequency of repayments, as well as the consumer's personal circumstances. I've listed below what checks NatWest have done and whether I'm persuaded these checks were proportionate.

NatWest said they looked at information provided by a CRA, the ONS and information that Ms D had provided before approving her application. The information showed that Ms D declared a net monthly income of £3,000.

The CRA NatWest used did not report any defaulted accounts or any County Court Judgements (CCJ's). NatWest have also told us Ms D was not in arrears on any of her

accounts at the point of their lending checks (which is consistent with the credit file Ms D has provided to us – albeit different CRA's may report different information).

The CRA told NatWest that Ms D had total unsecured debt of £33,100 which NatWest calculated to be a debt to income ratio of 74% (it would be a debt to net income of almost 92% though).

The CRA had informed NatWest how much Ms D was repaying for her loan repayments (£913 a month) and her revolving debt repayments – such as credit cards/store cards/overdrafts (£311 a month). NatWest are entitled to use the information they receive from a CRA in good faith in the absence of any conflicting information, so I'm not persuaded that they needed to make further checks based on what the CRA told them here.

NatWest also used modelling to complete their affordability assessment for Ms D, which is an industry acceptable way of estimating outgoings. The affordability assessment showed that Ms D would have around £265 disposable income prior to the NatWest credit card being approved.

NatWest would also need to ensure that the repayments for a £2,300 credit limit would be affordable and sustainable for her – not just by considering a minimum payment only. I am mindful that Ms D's disposable income would be relatively low compared to her declared net monthly income. So if she had any emergencies or if she had an increase to her regular outgoings, this could impact her disposable income.

As Ms D's unsecured debt was almost on par with her annual net income, and based on the relatively low disposable income, then I'm persuaded that NatWest should have completed further checks to ensure the lending was affordable and sustainable for her.

There's no set way of how NatWest should have made further proportionate checks. One of the things they could have done was to contact Ms D to find out how her unsecured debt was high compared to her net income, and how she would be able to make sustainable and affordable repayments for the NatWest credit card. Or they could have asked for her bank statements as part of a proportionate check to ensure the lending was sustainable and affordable for her.

As Ms D had a bank account with NatWest at the time of the lending checks for the NatWest credit card, NatWest have forwarded our service the statements for an account she was a party on. I've reviewed Ms D's statements leading up to the approval of the credit card, which NatWest could have done as part of a proportionate check to ensure the lending was affordable and sustainable for Ms D.

The account appears to be well run. She does not go overdrawn in the three months leading up to the approval of the NatWest credit card and she has no returned direct debits either leading up to the approval of the card. There is a credit balance of three figures for the majority of time leading up to the NatWest credit card being opened, but it is sometimes four figures in credit.

So if NatWest had reviewed the account statements for this account, I'm not persuaded that it would have been proportionate for them to complete any further checks, as the statements suggest that the repayments for a £2,300 credit limit would be affordable and sustainable for Ms D.

In addition to this, it appears there was a promotional interest rate of 0% for Ms D for balance transfers on the NatWest credit card. So if she took advantage of this (which her opening credit card statement shows she transferred £2,000 to the NatWest credit card),

then she may have more disposable income to make repayments for the NatWest credit card, since she would save on interest.

So if NatWest would have made further checks based on the earlier reasoning I gave in this decision, I'm persuaded they still would have approved the account and provided Ms D with a £2,300 credit limit. I'm persuaded they made a fair lending decision here.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I can't conclude that NatWest lent irresponsibly to Ms D or otherwise treated her unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 29 July 2025.

Gregory Sloanes  
**Ombudsman**