DRN-5514777

The complaint

Miss O complains that National Westminster Bank Public Limited Company (NatWest) irresponsibly lent to her.

What happened

Miss O was approved for a NatWest credit card in August 2024 with a £1,900 credit limit. Miss O says she already had a credit card with another provider at the time and NatWest were irresponsible to give her the credit limit they did. Miss O made a complaint to NatWest, who did not uphold her complaint as they said they were unable to agree they acted irresponsibly. Miss O brought her complaint to our service.

Our investigator did not uphold Miss O's complaint as he said that NatWest's checks were proportionate, and they made a fair lending decision. Miss O asked for an ombudsman to review her complaint. She said she barely made £12,000 a year, she had exceeded her credit limit on her other credit card, and she made a late payment, so NatWest would have seen this. She said her other credit card provider upheld her irresponsible lending complaint, so her NatWest complaint should be upheld also.

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've considered what Miss O has said about her other credit card provider upholding her irresponsible lending complaint so this complaint about NatWest should also be upheld. But I must make Miss O aware that each complaint is judged on its own merits.

Before agreeing to approve the credit available to Miss O, 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 used information from Miss O and a Credit Reference Agency (CRA) prior to accepting her application. Miss O had declared a net monthly income of £1,000 a month. The CRA reported to NatWest that Miss O had no defaulted accounts, and no County Court Judgements (CCJ's).

I've considered what Miss O has said about her having a late payment and being over her credit limit. The statement she has sent us for her other credit card shows on page 4 that it covers between 17 July 2023 – 16 July 2024. During this timeframe, the statement shows there were no late fees incurred. NatWest's data from the CRA showed that Miss O was not in arrears on her accounts at the time of the checks, and she hadn't been in arrears in the six months prior to the checks.

While page 1 of Miss O's external statement shows she had exceeded her credit limit by 41p, her statement is dated 16 July 2024 – which was approximately three weeks prior to the acceptance of her NatWest credit card. But credit files typically take 4-6 weeks to update, so I can't fairly say that NatWest should have been aware of this at the time of the checks, as the CRA NatWest used reported no adverse information from Miss O's credit file.

NatWest also completed an affordability assessment which used modelling (an industry standard way of estimating outgoings), and information from the CRA about Miss O's monthly credit commitments, and this showed that Miss O should be able to sustainably afford repayments for a £1,900 credit limit, even after considering the repayments for her other unsecured debt, which the CRA told NatWest Miss O had a total of £1,400 active unsecured debt at the time of the checks.

So I'm persuaded that NatWest's checks were proportionate, and they made a fair lending decision to approve the account, and to provide Miss O with a £1,900 credit limit.

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 Miss O 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 Miss O to accept or reject my decision before 9 September 2025.

Gregory Sloanes
Ombudsman