

## **The complaint**

Miss C complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (NatWest), lent to her irresponsibly when they provided her with a credit card and later increased her limit.

## **What happened**

In November 2018, Miss C was provided with a Credit Card by NatWest with an initial credit limit of £4,200. In July 2019, her limit was increased further, to £4,850.

In October 2024, Miss C complained. She said NatWest had irresponsibly lent to her, and that sufficient checks – to ensure her affordability status – hadn't been undertaken.

NatWest didn't uphold the complaint. They said, in summary, that they had carried out checks proportionate to the amount being lent; those checks hadn't revealed any concerns, and, on that basis, the credit card had been provided. So, they were satisfied they had lent responsibly.

Miss C disagreed; she still thought that NatWest was wrong to have lent to her. So, she referred her complaint to this Service for independent review.

An Investigator here considered what had happened; having done so, he didn't think NatWest had done anything wrong. In short, the Investigator said:

- The checks carried out by NatWest were proportionate in the circumstances.
- The information gathered as a result of those checks wouldn't have given NatWest any cause for concern. And there was nothing that would have suggested to NatWest that Miss C was struggling financially and/or wouldn't be able to afford the repayments towards this credit card, both initially, and after the credit limit increase.
- Any financial struggles, which did materialise for Miss C later, wouldn't have been apparent to NatWest at the time they provided Miss C with the credit card, or when they later increased her limit.
- Overall, with that in mind, NatWest hadn't acted unfairly or unreasonably in providing Miss C with the credit card, or in later increasing her limit.

Miss C disagreed; she maintained that she'd been irresponsibly lent to by NatWest. And she said that she had more credit outstanding than NatWest had recorded at the time of their lending decisions - including a personal loan, and a car finance agreement.

So, as no agreement has been reached, Miss C's complaint has now been passed to me to decide.

## **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, while this will no doubt disappoint Miss C, I agree with the findings of our Investigator, and for broadly the same reasons. I'll explain why.

To start with, given the time that has passed since the initial lending was granted, I'd like to clarify that I am satisfied that this case falls within our service's jurisdiction. The initial lending was granted in November 2018, and despite some back and forth between Miss C and NatWest over when they started investigating matters, it doesn't appear to be in dispute that Miss C informed NatWest of her dissatisfaction in October of 2024. So, I'm satisfied the complaint was brought within six years of the date of the initial lending.

The rules and regulations in place at the time Miss C was provided with the credit, required NatWest to carry out a reasonable and proportionate assessment. That's to determine whether she could afford to repay what she owed in a sustainable manner. This practice is sometimes referred to as an 'affordability assessment' or 'affordability check'.

The checks had to be borrower focussed; that is, relevant to Miss C. So, NatWest had to think about whether repaying the credit sustainably would cause her difficulties, or other adverse consequences. In other words, NatWest had to consider the impact of any repayments on Miss C.

Checks also had to be 'proportionate' to the specific circumstances of the lending. In general, what constitutes a proportionate affordability check will be dependent on a number of factors including – but not limited to – the particular circumstances of the consumer (e.g: their financial history, current situation and outlook, any indications of vulnerability or financial difficulty) and the amount/type/cost of credit they were seeking. I've kept all of this in mind when thinking about whether NatWest did what they needed to before agreeing to lend to Miss C.

Here, before agreeing to lend, NatWest checked data recorded with Credit Reference Agencies ("CRAs"); it relied upon information provided by Miss C in her application, and it carried out an affordability assessment.

I've been provided the results of NatWest's checks and, in my view, the data they gathered didn't suggest that there was any real cause for concern. Rather, information obtained from CRAs didn't show any recent defaults or County Court Judgments ("CCJs"); nor was Miss C subject to an Individual Voluntary Arrangement ("IVA").

NatWest recorded that Miss C was earning £1,400 per calendar month based on information Miss C provided, albeit this was not verified. And from this, they deducted her stated expenditure in relation to living costs and housing totalling £589. They noted that she was living with parents. They also deducted any loans and other credit commitments declared by Miss C, which equated to less than £5 per calendar month, which they confirmed to be accurate from the credit check they completed.

Based on the information they obtained, NatWest concluded that Miss C had more than enough disposable income to cover the cost of a generous monthly repayment towards her credit card balance. And there was nothing else to suggest to NatWest that Miss C wouldn't be able to sustainably repay the credit provided here.

Keeping in mind the monthly repayments required to clear the balance of the credit card (if Miss C utilised the full credit limit); and, given that neither the CRA data, nor application or affordability data, raised any immediate concerns; I think the checks undertaken by NatWest before lending to Miss C were proportionate, and the information they gathered suggested that a credit limit of £4,200 was likely to be affordable for her. So, I wouldn't have expected NatWest to do any further checks or verification in these circumstances, particularly given the level of borrowing.

I appreciate, based on what Miss C has told us now, that her financial position at the time of the initial lending may have been worse than NatWest initially concluded. But it's important to note, that I wouldn't have expected NatWest to carry out a full review of Miss C's financial position, given the credit limit they were providing, and the information they had already gathered through their checks. And in these circumstances, I'm satisfied they were entitled to rely upon the data they gathered as a result of their proportionate checks. And in doing so, I don't think it was unreasonable for them to conclude that the credit limit they initially agreed was affordable for Miss C.

Turning to the credit limit increase in July 2019, NatWest have told us that while they carried out income verification checks, as well as running a credit check, they haven't been able to provide our service with evidence of the results of those checks. So, I'm unable, in the circumstances, to reasonably conclude that proportionate checks were carried out. So instead, I've looked at what Miss C has told our service about her circumstances at the time.

I can see from a copy of the credit file Miss C has provided, that there was a hire purchase agreement in place - taken out the month prior. But aside from this, it doesn't seem there were any other significant changes to Miss C's monthly outgoings - with the exception of one account with a £850 credit limit. And when allowing a generous payment of 5% of the monthly balance towards this item - if the limit was utilised to its full - this would equate to a monthly payment of around £40. So, it seems there was an increase in Miss C's outgoings towards existing credit commitments of around £310 a month.

Given that during the first eight months of the credit card being in place, Miss C had not missed a single repayment, and had, in many months, made overpayments towards clearing her credit balance; I think NatWest, at this stage, given what it's likely their credit checks would have shown, wouldn't have needed to take any further steps before deciding to increase Miss C's credit limit, such as looking to verify her income for instance. And I think from the checks they said they did, they would've likely concluded, even with the additional credit Miss C had taken out, that she still had around £250 in disposable income after allowing for their repayment. So, for this reason, I don't think they were wrong to increase Miss C's credit limit either.

I am sorry to disappoint Miss C; I know this won't be the outcome that she's hoping for, and I certainly don't mean to downplay the impact she's said this matter has had on her. But it's for the reasons I've explained that I don't think NatWest acted unfairly or unreasonably when it provided her with the credit card or when it later increased her limit. So, it follows that I'm not upholding this complaint.

Separately, whilst I'm not upholding the complaint, I do want to remind NatWest of their obligations to exercise forbearance moving forward. I would certainly encourage Miss C to keep in regular contact with NatWest about any difficulties she's now facing in maintaining any outstanding repayments that may be owed.

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 don't think NatWest lent irresponsibly to Miss C 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.

Finally, I can see Miss C has also raised concerns about NatWest failing to log her complaint initially. In NatWest's response, they have said that Miss C had failed to log sufficient information in order for them to address her concerns. But while NatWest should treat any expression of dissatisfaction as a potential complaint, equally, they have to be provided with adequate information as to what a customer's complaint is, in order to begin their investigation.

However, in this instance, I haven't looked further into this matter. I say this because, even if I was satisfied that NatWest had failed to log the complaint when Miss C reached out initially on 16 October 2024, NatWest still provided their final response on 16 December 2024, just outside the eight-week window. So, while I appreciate Miss C's frustration, even if I was to conclude there was a failing here by NatWest, given the short length of the delay (if there indeed was one), I don't think it's significant enough for me to look to award compensation in the circumstances.

So, while I appreciate this will come as a disappointment to Miss C, I won't be upholding her complaint.

### **My final decision**

My final decision is that I do not uphold Miss C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 17 September 2025.

Brad McIlquham  
**Ombudsman**