

The complaint

Mr H complains that National Westminster Bank Public Limited Company (NatWest) have irresponsibly lent to him.

Mr H 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 Mr H himself.

What happened

Mr H was approved for a NatWest credit card in August 2019 with a £5,000 credit limit. Mr H says this was irresponsibly lent to him. Mr H made a complaint to NatWest.

NatWest did not uphold Mr H's complaint. They said they used data from Credit Reference Agencies (CRA's) and they were unable to agree they acted irresponsibly in providing the credit to him. Mr H brought his complaint to our service.

Our investigator did not uphold Mr H's complaint. He said NatWest should have made further checks based on the amount of credit being approved, however, further checks would have shown the lending was affordable. Mr H asked for an ombudsman to review his complaint.

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.

Before agreeing to approve the credit available to Mr H, NatWest needed to make proportionate checks to determine whether the credit was affordable and sustainable for him. 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, modelling and information that Mr H had provided before approving his application. The information showed that Mr H declared a net monthly income of £1,700. The CRA NatWest used did not report any County Court Judgements (CCJ's) or defaults.

NatWest said Mr H was not in arrears on any of his accounts at the point of their lending checks (which is consistent with the credit file Mr H has provided to us – albeit different CRA's may report different information).

The CRA told NatWest that Mr H had a total unsecured debt of £100. NatWest also used modelling to complete their affordability assessment for Mr H, which is an industry acceptable way of estimating outgoings. The affordability assessment showed that Mr H would have a sufficient disposable income to sustainably afford repayments for a £5,000

credit limit.

So based on the credit limit being less than 25% of Mr H's gross annual income (even when added to his existing unsecured debt), no adverse credit being reported, and the disposable income showing on the affordability assessment, I'm not persuaded that it would have been proportionate for NatWest to have completed further checks here, as the checks showed that Mr H should be able to sustain affordable repayments for a £5,000 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 Mr H or otherwise treated him 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 Mr H to accept or reject my decision before 4 November 2025.

Gregory Sloanes
Ombudsman