

The complaint

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

What happened

Miss B was approved for a NatWest credit card in February 2024, with a £7,050 credit limit. She says this was irresponsibly lent to her. Miss B made a complaint to NatWest, who did not uphold her complaint. NatWest said the lending decision met their eligibility and affordability tests. Miss B brought her complaint to our service.

Our investigator did not uphold Miss B's complaint. He said NatWest completed an affordability assessment, and their checks were proportionate. He said they made a fair lending decision. Miss B asked for an ombudsman to review her complaint. She made a number of points. In summary, Miss B said that the checks weren't proportionate as they relied on declared income, and they used a single Credit Reference Agency (CRA), of which another CRA reported more debt than the CRA NatWest used.

Miss B said that NatWest didn't complete any income verification, or bank statement checks, and therefore the risk increased significantly. She said harm to the borrower should have been considered. Miss B said she had nearly £40,000 of unsecured debt, recent credit seeking behaviour (as she opened a number of accounts in January 2024) which were visible on a CRA credit file, visible signs of distress from her bank statements including recycling credit, overdraft reliance, and multiple Buy Now Pay Later transactions. Miss B said she had a previous repayment plan with NatWest in 2018.

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.

Firstly, I'm aware that I've only summarised Miss B's complaint points. And I'm not going to respond to every single point made by her. No courtesy is intended by this. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

Before agreeing to approve the credit available to Miss B, 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.

I've considered what Miss B has said about previously having a repayment plan with NatWest. Miss B has said this was in 2018. But I wouldn't expect NatWest to decline an

application based on activity several years earlier automatically, as this would fail to recognise that a borrowers financial position could have improved within the interim period. So I've looked at what checks NatWest completed.

NatWest used information from Miss B and a CRA prior to accepting her application. I've considered what Miss B has said about NatWest only using one CRA, and if they used another CRA this would have given concerning information about her current circumstances (such as her debt actually being nearly double, and her recently opening other accounts prior to the NatWest credit card).

But NatWest are not obligated to request information from all (or multiple) of the CRA's. This would not be proportionate for them to do so. If a lender does not report to all of the CRA's then I can't hold NatWest responsible for this.

Miss B had declared a net monthly income of £3,460 a month. It's not clear why Miss B declared this amount of income if it was not correct. As she's told us she was self employed then it would be fair that her income would fluctuate, but it would be reasonable for her to give an average of her income.

The CRA reported to NatWest that Miss B had no defaulted accounts, and no County Court Judgements (CCJ's). She was showing as having no accounts in arrears at the time of the checks or within the last six months.

Miss B's active unsecured debt was showing as being £21,200, and not nearly £40,000, therefore NatWest calculated Miss B's debt to income as being 41%. The credit card limit that was approved for Miss B would be less than a fifth of her net annual income.

The CRA reported no new active accounts being opened in the three months prior to the checks. Miss B has told us that she opened a number of accounts in the month before she was accepted for the NatWest credit card, but it can take 4-6 weeks for a credit file to be updated, therefore NatWest would be entitled to rely on the information the CRA gives them. It would not be proportionate for NatWest to make manual checks for each lending decision they make. And it isn't mandated that they have to do this.

NatWest also completed an affordability assessment which using modelling (an industry standard way of estimating outgoings), and information from the CRA they used about Miss B's monthly credit commitments Miss B about her housing costs. The affordability assessment showed that Miss B had disposable income in order to make sustainable and affordable repayments for a £7,050 credit limit.

But as Miss B applied for a credit card which had a balance transfer element to it, then she may have an even higher disposable income if she transferred a balance(s) to NatWest, as she may be saving on paying interest for a set period of time.

I've considered what Miss B has said regarding what her bank statement would have shown if NatWest would have requested them. I will take her word for what she's told us. But as the checks showed no adverse credit information, no recent accounts being opened, and a healthy disposable income in order to make sustainable and affordable repayments to the account (even ignoring the promotional period), then it wouldn't have been proportionate for NatWest to have completed an audit of the accounts she held elsewhere.

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 B with a £7,050 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 B 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 B to accept or reject my decision before 23 December 2025.

Gregory Sloanes
Ombudsman