

The complaint

Ms W complains NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY ("NatWest") reduced her overdraft limit.

What happened

Ms W had an overdraft with NatWest. In January 2025, NatWest emailed Ms W to inform her it would be reducing the limit from £3,200 to £2,000. The reduction was scheduled to take place on 26 February 2025, and it sent her a reminder by text message on 19 February 2025.

In March 2025, Ms W complained. She said she hadn't seen the January email and she feels unsafe with a limit of just £2,000. She'd much prefer her £3,200 limit back in place. She's been a customer of NatWest for 28 years and doesn't feel this is fair.

NatWest responded to the complaint and said the bank hasn't made an error or acted inappropriately. It explained the reduction was part of a wider project by NatWest where it was assessing overdraft limits and helping to protect customers from borrowing more than they should, minimising the risks of customers falling into financial hardship. NatWest did say if she wishes to reapply, Ms W can do so via the usual channels.

Ms W didn't agree so she referred her complaint to our Service. An Investigator here looked into things. Initially, they sent a brief response explaining NatWest was exercising its commercial judgement and didn't treat Ms W unfairly when reducing the limit.

Ms W responded to the view with lots of detail. She said she believes age is one of the reasons NatWest reduced the limit, she needs the limit increased back to £3,200, she doesn't feel she's had an adequate explanation as to why it was reduced and she's made reference to NatWest being 39% owned by taxpayers so they should treat customers better. This is a summary of Ms W's points, and not her points in their entirety.

A second opinion was issued to Ms W. This time the Investigator set out the role of our Service, and what the limitations are. They explained in order to uphold her complaint, they'd need to find NatWest has done something wrong – which it hasn't. They didn't think the overdraft had been reduced due to Ms W's age, but in line with how she used the account, which was very little and certainly not to a £3,200 limit.

Because an agreement couldn't be reached, the complaint has 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.

I want to start by acknowledging that it's very clear to me just how important this matter is for Ms W. She has set out her position in great detail and has provided lots of supporting information. I think it's important I explain that whilst I have read and considered all the information provided by both parties, I've outlined my findings in considerably less detail. I don't mean any discourtesy by this, rather this reflects the informal nature of our service.

Having considered all of the evidence available, I've decided not to uphold Ms W's complaint – I appreciate this decision will come as a disappointment to her, as I can see how strongly she feels about what's happened, however I will explain my reasons for this below.

I have firstly considered the terms and conditions of Ms W's account, which allow NatWest to make changes to an overdraft limit or remove it completely. I can see that Ms W was provided with more than 30 days' notice on this occasion, which the terms state needs to happen, so I can't fairly conclude that it has acted outside of its terms and conditions in letting Ms W know what was going to happen and when.

NatWest also has a responsibility to ensure that it is only lending amounts that are affordable. Because of this, it will periodically review customers' accounts to ensure that the amount of credit it is offering is suitable, and within what it deems to be an acceptable risk. I can see that NatWest carried out a review of Ms W's accounts and following this, took the decision to reduce her overdraft limit.

Ms W wasn't using the overdraft at the time, and in the past year she hasn't used close to the £3,200 limit and the income into the account is significantly less than £3,200 per month. So overall, I can't say that NatWest has acted unfairly in reaching the decision to reduce the overdraft amount. I'm sorry that Ms W didn't see the email as it got lost, and I'm pleased to see she's now changed her communication preferences in line with what's most suitable for her, but NatWest gave notice using her correct contact details. I'm therefore satisfied it did enough to notify her of the upcoming change.

It's also important to point out that the same thing happened in 2024 – NatWest notified Ms W that it was going to reduce her limit and she contacted it within the notice period and kept the limit the same. She was able to opt out of the reduction then, after receiving the email and text message. Because of this, I can't see any evidence to suggest that NatWest is treating Ms W unfairly, as the same process has been followed this time around.

Given that NatWest has obligations as a responsible lender, I don't think its decision here was unreasonable. It is also up to NatWest to make a commercial decision in deciding what risk it is prepared to take when providing credit to a customer. This Service wouldn't generally interfere with a firm's commercial decision, as long as it appears to be fair. And given the information that NatWest reviewed; I can't reasonably conclude that its decision to reduce Ms W's overdraft limit was unfair.

I understand Ms W wants the higher amount as a safety net, and I can empathise with her reasons for this. I appreciate it would feel more secure to have the higher amount there, just in case it's needed. But I can't tell NatWest who it should and shouldn't lend to, and what amounts should be provided. Ms W still does have a safety net of £2,000 available to her, and overall I believe NatWest has followed its terms and conditions when making their decision.

I've thought very carefully about Ms W's comments regarding NatWest discriminating against her due to her age, as we take any allegation like this very seriously. To explain though, it's not our role to say whether a business has acted unlawfully or not – as that's a matter for the Courts. Our role is to decide what's fair and reasonable in all the circumstances. In order to decide that, however, we have to take a number of things into

account including relevant law and what we consider to have been good industry practice at the time.

So although it's for the Courts to say whether or not NatWest has breached the Equality Act 2010, we're required to take the Act into account, if it's relevant, amongst other things when deciding what is fair and reasonable in the circumstances of the complaint.

Ms W feels that NatWest has discriminated against her due to her age by reducing her overdraft limit. I can understand why Ms W feels this way, but having looked at all the evidence, I can't see anything to suggest that her age was a factor considered when the decision to reduce the overdraft was made. Nor do I think NatWest has acted unfairly or unreasonably as they have followed the terms of the account, and have still allowed Ms W to keep a buffer in case its needed.

I know this will likely come as a disappointment to Ms W, but I'm not upholding her complaint against NatWest.

My final decision

It's my final decision that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY didn't treat Ms W unfairly when reducing her overdraft limit.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 20 October 2025.

Meg Raymond
Ombudsman