

## **The complaint**

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

## **What happened**

Miss A was approved for a NatWest credit card in March 2023, with a £9,250 credit limit. Miss A says that this was irresponsibly lent to her as she already had around £18,000 of unsecured debt, a gambling addiction, and they didn't ask for her bank statements. Miss A made a complaint to NatWest.

NatWest did not uphold Miss A's complaint. They said that the application passed stringent eligibility and affordability tests. Miss A brought her complaint to our service.

Our investigator did not uphold Miss A's complaint. He said that NatWest should have completed further checks, but if they completed further checks they would have still made a fair lending decision.

Miss A asked for an ombudsman to review her complaint. She made a number of points. In summary, she said she was constantly overdrawn, and she made overpayments on other credit cards, not because she had surplus funds, but because she was trying to avoid long-term interest accumulation. Miss A said she struggled to make the minimum payments on this account, which led her to opening another credit card three months later with another company.

Miss A said she had returned direct debits due to financial stress, and they should have raised red flags. She said gambling transactions exceeded £700 a month, which was a substantial proportion of her net monthly income. She said that the secondary account she held was not a savings account, but an account used for gambling transactions.

## **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 A's complaint points. And I'm not going to respond to every single point made by her. No discourtesy 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 A, 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 A and a Credit Reference Agency (CRA) prior to accepting her application. Miss A had declared a net monthly income of £2,800 a month. The CRA reported to NatWest that Miss A had no defaulted accounts, and no County Court Judgements (CCJ's). But she was shown as having at least one account in arrears within the last six months. Miss A's active unsecured debt was showing as being £15,800.

NatWest also completed an affordability assessment which used modelling (an industry standard way of estimating outgoings), and information from Miss A about her housing costs. The affordability assessment showed that Miss A had disposable income in order to make sustainable and affordable repayments for a £9,200 credit limit.

But I'm not persuaded that NatWest's checks were proportionate here. The initial credit limit was over 20% of what her gross annual income would have been, and the recent arrears on an external account could be a sign of financial difficulty, therefore I'm persuaded that NatWest should have made further checks to ensure that the lending would be affordable and sustainable for her.

Miss A has an account which she sometimes uses her arranged overdraft. But as this account does not appear to charge her any overdraft interest due to the type of account it is, then I can't fairly say using the overdraft in itself would be a significant factor of financial difficulty.

There were two direct debits being returned unpaid. While this could be a sign of financial difficulty, I do note that Miss A had a credit balance on her secondary account of £179.93 ending the day on 16 February 2023, therefore if she had transferred some of this into her main bank account then she would have been able to pay the direct debit, and on 22 February 2023, the date the other direct debit was returned unpaid, Miss A's secondary account balance at the end of that day was £374.73. So it would appear to an outside party that the unpaid direct debits were an oversight, despite what Miss A has said about this.

I agree with Miss A that the secondary account appears to be an account for her to gamble from as opposed to a savings account. But her main account does show that Miss A is able to save £50 a month into a regular savings account.

I've viewed the transactions for the secondary account. I'm mindful that the statement Miss A has provided us which is dated 15 March 2025 might not have been received by Miss A at the time she was accepted for the NatWest credit card.

The first statement Miss A provided our service from her secondary account covers transactions from 16 August 2022 – 16 February 2023. But the first transaction to a gambling company is on 31 January. So it wouldn't appear that Miss A was constantly gambling otherwise I would have expected transactions showing for December 2022, and the rest of January 2023.

Although there are several deposits into the account to fund gambling transactions, I do note that there were several credits into the account from gambling companies also (for example, between 1 February 2023 to when the statement ends of 16 February 2023, there were credits from gambling companies for £1,039.96). And even if NatWest would have seen the statement ending 15 March 2023, the closing balance was showing as being £1,393.91, so I can't fairly say that the activity on the secondary account should have resulted in Miss A not being approved for the card.

Miss A's main statements also show a monthly credit to her account which appears to be for

rent. So it would be apparent to NatWest that Miss A wouldn't pay all of the bills which leave her account. Miss A appears to make overpayments to other credit cards, and while I can understand what Miss A has said about overpaying to save interest, it appears that she had disposable income in order to be able to do so.

Miss A's statements show she has disposable income in order to pay for non-priority transactions, and to contribute to a regular saver on a monthly basis. So if NatWest would have requested Miss A's bank statements as part of a proportionate check, then I'm persuaded that they still would have approved the account and provided a £9,250 credit limit. And I'm persuaded that they made a fair lending decision here.

In addition to this, if Miss A was transferring balances from other credit cards to the NatWest credit card (which her statements show she did), then she may also save on interest payments, which could increase her disposable income further.

I've considered what Miss A has said about her having to open another credit card three months later. But this wouldn't be foreseeable to NatWest based on what her statements showed prior to the account being opened.

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 A 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 A to accept or reject my decision before 12 December 2025.

Gregory Sloanes  
**Ombudsman**