

The complaint

Mrs I has complained that National Westminster Bank Public Limited Company (NatWest) were irresponsible in supplying her with two loans, in July 2024 and February 2025. And that they didn't offer appropriate support when she got into financial difficulties.

What happened

NatWest provided Mrs I with a loan in July 2024 (loan one) for £7,500, repayable in equal instalments of around £200 per month for 63 months, and a further loan in February 2025 (loan two) for £8,500, repayable in equal monthly instalments of around £230 per month for 63 months. Mrs I had other loans with NatWest however, I've understood her complaint to be about the two loans I've referred to here.

Mrs I says the lending decisions were irresponsible. She says the checks carried out were insufficient and a more thorough check would have revealed that the required repayments were unaffordable. Mrs I feels that her concerns were dismissed when she told NatWest about her financial difficulties and NatWest failed to offer any meaningful help.

NatWest reviewed Mrs I's complaint and didn't uphold it. They were satisfied that appropriate checks were carried out in both July 2024 and February 2025. They felt that there was no indication that the repayments were unaffordable. NatWest say they also offered support options with regards to any difficulties making repayments.

An investigator then reviewed the merits of Mrs I's complaint, but didn't think that NatWest had done anything wrong.

NatWest didn't dispute this position, but Mrs I did. In summary she felt NatWest's calculations for affordability weren't right and they should have realised that providing these loans, in addition to existing debt, wouldn't be affordable.

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.

Having done so, I'm not upholding this complaint. I appreciate this will disappoint Mrs I, so I'll explain why. In reviewing this complaint, I've only considered matters that occurred before the final response letter was issued, in line with the rules this service must follow.

The rules and regulations in place at the time NatWest provided Mrs I with the loans required them to carry out a reasonable and proportionate assessment of whether she could afford to repay what she owed in a sustainable manner. This is sometimes referred to as an 'affordability assessment' or 'affordability check'.

The checks had to be 'borrower' focused. This means NatWest had to think about whether repaying the credit sustainably would cause difficulties or adverse consequences for Mrs I. In other words, it wasn't enough for NatWest to consider the likelihood of them getting the funds back – they had to consider the impact of any repayments on Mrs I.

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 providing the two loans to Mrs I.

Mrs I had been involved in a road traffic accident prior to applying for both of these loans. I was really sorry to hear of this and of the long-term impacts to her overall health. I'd like to thank Mrs I for being so open with this service and I wish her the very best for the future.

NatWest have expressed similar sentiment with regards to Mrs I's accident, and it's not disputed that they were not aware of this at the time of the lending decisions.

NatWest used information declared by Mrs I in her applications and used data supplied by a credit reference agency (CRA) to help them see whether the credit was affordable for Mrs I.

In her application for loan one, NatWest says Mrs I declared a monthly net income of around £2,900 which they verified this using current account data. NatWest say the information they obtained showed Mrs I had other credit commitments from existing loans and credit cards, requiring monthly payments of around £870. And that her credit file showed no adverse information.

Using all this information NatWest calculated that, including the monthly repayments for loan one, an estimated cost of living supplied by the CRA and all other costs noted, Mrs I would be left with a disposable income of around £900 per month, which they considered to be sufficient.

NatWest took a similar approach when Mrs I applied for loan two. They say the CRA checks showed nothing adverse, and Mrs I declared a similar monthly figure for her net income.

Their calculations showed that with the repayments for loan two, along with all else noted as above, she would be left with a disposable income of around £730 per month. As with loan one, they considered this to be affordable.

Having reviewed the information supplied to this service by NatWest, I haven't seen enough to persuade me that they did perform reasonable and proportionate checks before agreeing to the loans. I say this because NatWest haven't supplied clear information evidencing the CRA checks or application data they relied on.

As I can't state that NatWest made a fair lending decision without that information, to enable me to reach a decision, I have undertaken a review of Mrs I's circumstances at the time, using Mrs I's bank statements, supplied by NatWest, to complete a review of her income and committed expenditure, and the credit report that Mrs I supplied.

Having done so, the income that NatWest have said Mrs I declared on the application broadly matches the income I can see on Mrs I's bank statements, mainly by way of a combination of earnings and Department for Work and Pensions (DWP) payments. I have validated this income using an average of the three-month period directly preceding each loan.

From the perspective of required expenditure for existing credit at the time of each application, NatWest used a figure of around £900 per month for each loan. Mrs I's bank statements again, are broadly in line with this.

Having considered everything, the information available did suggest that Mrs I would have sufficient disposable income available for other general living expenses and these new loans.

At the times when Mrs I applied for loan one and loan two, there were no adverse markers on the credit file that Mrs I has supplied, and although her utilisation of credit card facilities

was fairly high, the accounts appeared to be broadly well managed, with no missed payments and there were regular payments above the minimum required. It would therefore appear reasonable for NatWest to have had no concerns from this perspective

On balance after consideration of all those aspects, I am satisfied that if NatWest did perform appropriate checks, they would have likely shown that the required repayments for these loans were both affordable and sustainable. I am not persuaded therefore that the lending was irresponsible.

Mrs I has also pointed out that because the application for loan two was only around seven months after loan one, that NatWest should have carried out further checks.

While I understand her point of view, as I've described above I have now carried out the appropriate checks and am comfortable with their decision to lend. I don't think the fact that this was a second loan application in seven months was, in itself, a reason to decline the loan.

In addition to the lending decisions, Mrs I is also unhappy with NatWest's support, stating that she felt they didn't offer any meaningful help.

The relevant regulation for how a lender should support a customer in financial difficulty, is defined within the Financial Conduct Authority (FCA) Consumer Credit Sourcebook (CONC) and for these purposes, **CONC 7.3.4 R** states that

A firm must treat customers in or approaching arrears or in default with forbearance and due consideration.

There are no defined actions that a lender, NatWest in this case, must take. But it should be proportionate and take Mrs I's individual circumstances into account.

I can see that when NatWest became aware that Mrs I was having trouble with the loans, they discussed Mrs I's circumstances with her and also completed an income and expenditure assessment with Mrs I with a view to set up a repayment plan with her.

Mrs I may not consider this to be sufficient, because I know her desired outcome was for the debts to be written off, but as NatWest have discussed Mrs I's circumstances with her and taken steps to understand more about affordability to enable a repayment plan to be put in place, in the circumstances of this particular case, I think they have offered sufficient forbearance and so I won't be directing them to do anything further at this stage.

Whilst I'm not upholding this complaint, I'd like to remind NatWest of its obligation to continue to exercise forbearance moving forward as Mrs I is experiencing financial difficulty and I would also certainly encourage Mrs I to keep in regular contact with NatWest about any difficulties she's facing.

In reaching my conclusions, I've also considered whether the lending relationship between Mrs I and NatWest might have been unfair to Mrs I under Section 140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that NatWest did not lend irresponsibly when providing Mrs I with the loans, or otherwise treat her unfairly in relation to this matter. And I haven't seen anything to suggest that Section 140A of the CCA would, given the facts of this complaint, lead to a different outcome here.

So while it will come as a disappointment to Mrs I, I won't be upholding her complaint against NatWest for the reasons explained above.

My final decision

It's my final decision that I don't uphold this complaint against National Westminster Bank Public Limited Company.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs I to accept or reject my decision before 6 February 2026.

David Barker
Ombudsman