

The complaint

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

What happened

Miss D was approved for a NatWest credit card in March 2020 with a £5,450 credit limit. Miss D says she had just been approved for an overdraft with NatWest the day before she applied for the credit card, and NatWest were irresponsible to give her the credit limit they did on the credit card. Miss D made a complaint to NatWest, who did not uphold her complaint as they said they were unable to agree they acted irresponsibly. Miss D brought her complaint to our service.

Our investigator did not uphold Miss D's complaint as she said that NatWest's checks were proportionate, and they made a fair lending decision. Miss D asked for an ombudsman to review her complaint. In summary, she said the income used was incorrect, NatWest should have considered the overdraft, even if it wouldn't show on her credit file yet as they would have access to this. Miss D told us her rent payment, and she said she had more debiting her account than crediting her account leading up to the credit card being approved, which NatWest would have had access to all of this data.

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 Miss D, 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 D and a Credit Reference Agency (CRA) prior to accepting her application. Miss D had declared a net monthly income of £1,400 a month. It's not clear why Miss D declared this amount of income if it was not correct. But NatWest did use information from a CRA which gave a Current Account Turnover (CATO), which is an industry standard way of assessing income, which confirmed the CATO was not too dissimilar to what Miss D declared.

The CRA reported to NatWest that Miss D 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 D's active unsecured debt was showing as being £100. This figure can sometimes be rounded up when a borrower has no active unsecured debt, but I will take it on face value

that Miss D had £100 of active unsecured debt at the time she applied for this account.

I've considered what Miss D has said about NatWest not considering the overdraft they approved the day before for her. But 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. But here, I'm not persuaded that it would make a difference. I say this because Miss D wasn't using her overdraft at the time the credit card had been approved – her statement shows it was first used three days after the credit card was approved, so there would be no new overdraft usage for NatWest to consider at the time of their checks even if they did make a manual check (albeit this wouldn't have been proportionate here).

NatWest also completed an affordability assessment which using modelling (an industry standard way of estimating outgoings), and information from Miss D about her housing costs. Miss D has told us that her rent was £315, but she did not declare rental expenditure on the application form I've seen. But even if she would have declared this expenditure, the affordability assessment would have shown that Miss D had disposable income in order to make sustainable and affordable repayments for a £5,450 credit limit.

I've considered what Miss D has said regarding the debits and credits on her bank account leading up to the credit card being approved. I will take her word for what she's told us. But as the checks showed no adverse information, little to no existing unsecured debt that she was using at the time the account was approved, and a healthy disposable income, then it wouldn't have been proportionate for NatWest to have completed an audit of the accounts she held with them manually.

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 D with a £5,450 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 D 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 D to accept or reject my decision before 27 November 2025.

Gregory Sloanes
Ombudsman