

## **The complaint**

Mr M complains NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY ("NatWest") irresponsibly lent to him.

## **What happened**

In October 2024 Mr M was provided with a credit card. It had a credit limit of £3,300 and had a promotional 0% rate on balance transfers for 20 months. The limit wasn't ever increased.

In February 2025, Mr M complained to NatWest. He said he already had credit with them at the time, and they didn't carry out proper checks. He had to borrow from elsewhere to survive. He also said he struggles with gambling which NatWest should've known.

NatWest responded to the complaint in March 2025. They didn't uphold it. They said they use credit reference agencies (CRA) data and Office for National Statistics (ONS) data to help them determine affordability, and Mr M passed the checks. They referred him to various charities for help with gambling.

Mr M didn't agree, so he referred his complaint to our Service. An Investigator here looked into things. They felt that NatWest's checks weren't proportionate, because there was a couple of discrepancies between what you'd declared and the results of their checks. But they'd said had proportionate checks been conducted, NatWest still would've deemed the card affordable, largely because Mr M had a promotional rate until 2026 which would've put him in a better position when transferring some of his existing credit over.

Mr M responded to the view saying he already had significant lending at the time, and as a result, he feels NatWest should've seen the card was unsuitable and unaffordable for him. The Investigator explained to Mr M there's no detriment as he wasn't charged interest, but an agreement couldn't be reached, so 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 in agreement with the Investigator. I know this is likely to disappoint Mr M, but I'll explain my reasoning below.

The rules and regulations in place at the time NatWest provided Mr M with the credit card required them to carry out a reasonable and proportionate assessment of whether he could afford to repay what he/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 Mr C. In other words, it wasn't enough for NatWest to consider the likelihood of them getting the

funds back or whether Mr C's circumstances met their lending criteria – they had to consider if Mr C could sustainably repay the lending being provided to him.

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 was needed before lending to Mr M.

NatWest's checks included information Mr M declared at application, and data they obtained from CRA checks and current account turnover (CATO) information. These checks showed Mr M had around £21,000 in external debt with around £14,000 in revolving credit. They'd calculated his monthly credit commitments to be around £950.

Mr M said he was earning around £2,100 per month but NatWest verified this at closer to £1,450. Mr M said he was paying around £220 to his monthly mortgage repayments but NatWest verified this to closer to £450. NatWest estimated his monthly living costs to be around £770 and calculated he'd have a monthly disposable income of around £650.

Because, like the Investigator pointed out, there are a lot of discrepancies, I would've expected NatWest to gather more specific detailed information about Mr M's income and expenditure.

To do this, the easiest way for our Service to piece together what NatWest may have seen at the time is to use Mr M's current account statements. This isn't to say NatWest should've reviewed these – I don't think they needed to look at Mr M's current account statements in full. But if they had asked him more details about his income and expenditure what would he likely have declared.

Having done so, Mr M's income was closer to what he'd declared, and his committed expenditure was in line with the calculations. There was gambling on the statements, but I wouldn't have expected NatWest to see the statements themselves, and I find it unlikely Mr M would've told NatWest he was gambling heavily at the time.

In addition to this, I've thought about how Mr M did have quite a lot of external debt at the time. But NatWest were offering Mr M this card with a promotional 0% interest rate for him to transfer across other interest-bearing debts, meaning the card, if used properly, would put him in a better position he would've been in without it.

I understand Mr M was spending in a harmful way, but this wasn't evident yet on the credit file NatWest obtained at the point of application, so there was nothing to suggest the credit card would be unaffordable for him.

I note Mr M's points regarding the difficult time he had – and I thank him for sharing. I understand the devastating impact of his gambling addiction, and this credit card has directly contributed to this. But it would be unreasonable for me to conclude the business was solely responsible, and as a Service, we're not punitive. We consider the obligations a business had at the time, and what is expected of them.

So it follows that while I don't believe NatWest carried out proportionate checks, I believe if they had done, they still would've lent to Mr M based on his income and expenditure and the terms of the card they were providing.

In reaching my conclusions, I've also considered whether the lending relationship between NatWest and Mr M might have been unfair to Mr M under s140A 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 Mr M with the credit card. And I haven't seen anything to suggest that s140A CCA would, given the facts of this complaint, lead to a different outcome here.

So while it'll likely come as a disappointment to Mr M, I won't be upholding his complaint against NatWest for the reasons explained above.

### **My final decision**

It's my final decision that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY didn't treat Mr M unfairly when providing him with a credit card.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 16 October 2025.

Meg Raymond  
**Ombudsman**