

The complaint

Mr H complains that National Westminster Bank Public Limited Company irresponsibly lent to him.

What happened

Mr H was approved for a NatWest credit card with an £8,300 credit limit. Mr H says that this was irresponsibly lent to him. Mr H made a complaint to NatWest, who did not uphold his complaint. NatWest said that his application passed stringent eligibility and affordability checks. Mr H brought his complaint to our service.

Our investigator did not uphold Mr H's complaint. She said while NatWest should have made further checks, they would have shown the lending was affordable for him. Mr H asked for an ombudsman to review his complaint. He made a number of points. In summary, he said NatWest's checks weren't proportionate and they relied on estimates as opposed to verifying his expenditure, his disposable income was overestimated, and he referred to other decisions our service has issued.

Mr H said he was already vulnerable as he was already in financial distress, and suffering mental health difficulties linked to his debt. He also asked for consideration of if there was an unfair relationship due to the lending from NatWest.

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 Mr H's complaint points. And I'm not going to respond to every single point made by him. 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.

I've considered what Mr H has said about different complaints which have been brought to our service. But our service looks at each individual complaint on its own merits. So I'll be looking to see whether NatWest made a fair lending decision here.

Before agreeing to approve the credit available to Mr H, NatWest needed to make proportionate checks to determine whether the credit was affordable and sustainable for him. 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 said they looked at information provided by a CRA, modelling and information that Mr H had provided before approving his application. The information showed that Mr H

declared a net monthly income of £3,779, which NatWest calculated the gross annual income to be £56,685.

The CRA NatWest used did not report any County Court Judgements (CCJ's) or defaults on Mr H's credit file. NatWest said Mr H was not in arrears on any of his accounts at the point of their lending checks.

The CRA told NatWest that Mr H had a total unsecured debt of £37,300. NatWest also completed an affordability assessment. They asked Mr H his outgoings. Mr H declared his mortgage costs of £600 a month and £75 a month for other expenditure, so a total of £675 a month outgoings.

But NatWest didn't just take Mr H's word for this, and it wouldn't be proportionate for them to do so when he had existing debt of £37,300. So they made a further check and completed their own affordability assessment, which I'm persuaded was proportionate when Mr H had the opportunity to provide NatWest his outgoings first, so they could use the higher of the two figures.

NatWest used modelling to complete their affordability assessment for Mr H, which is an industry acceptable way of estimating outgoings. They also built into the affordability assessment information from the CRA about Mr H's monthly credit commitments. The affordability assessment showed that Mr H would have a sufficient disposable income to sustainably afford repayments for a £8,300 credit limit, even considering his existing debt repayments.

In addition to this, NatWest have said that Mr H completed three balance transfers. So it could be that he had an even higher disposable monthly income if he benefitted from an interest free period.

So based on the credit limit being around 14.6% of Mr H's declared gross annual income, no adverse credit being reported, and the disposable income showing on the affordability assessment, I'm not persuaded that it would have been proportionate for NatWest to have completed further checks here, such as manually reviewing Mr H's bank statements, or requesting payslips from him, as the checks showed that Mr H should be able to sustain affordable repayments for a £8,300 credit limit, and they had also asked Mr H about his outgoings. So I'm persuaded that NatWest's checks were proportionate, and they made a fair lending decision here.

I'm sorry to hear what Mr H has said about financial distress and his mental health. I can't see that he informed NatWest of these issues, and based on the information the CRA showed, and the affordability assessment, then I can't fairly say that NatWest should have been aware of this.

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 Mr H or otherwise treated him 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 Mr H to accept or reject my decision before 27 February 2026.

Gregory Sloanes
Ombudsman