

## The complaint

Miss J complains that National Westminster Bank Public Limited Company (NatWest) was irresponsible in its lending to her on two occasions and that she was not adequately assessed for the credit.

## What happened

Miss J applied for credit cards with NatWest and had them approved as follows:

| Credit Card | Date          | Amount of Credit |
|-------------|---------------|------------------|
| One         | July 2024     | £5,000           |
| Two         | November 2024 | £2,550           |

Miss J says that she was not adequately assessed for the credit cards, that the checks carried out prior to the lending were not reasonable and proportionate and that the accounts were therefore given irresponsibly. Miss J feels that this has had a negative impact on her financial circumstances, as the repayments were unaffordable for her.

Although NatWest did not respond to Miss J's complaint within 8 weeks, it has since said that it is satisfied with the level of checks it carried out prior to the lending and has therefore rejected her complaint.

Two of our investigators have reviewed the complaint and both thought that NatWest did not carry out reasonable and proportionate checks for either of the lending decisions. But they went on to say that, had further, proportionate checks been carried out, these would not have shown anything that gave cause for concern about the affordability of the lending. Our investigators' view therefore is that NatWest didn't act unfairly when approving the credit cards given to Miss J.

NatWest didn't dispute this opinion, but Miss J did. She said that NatWest's checks failed to take into account the full picture of her financial situation, and she provided further information to support her position.

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.

I'd like to acknowledge that Miss J's response to the Investigator's view was very detailed. While I won't be commenting on everything individually, I want to reassure her I've read everything and kept it in mind when reaching my decision. This isn't meant as a discourtesy, it just reflects the informal nature of our Service.

Our approach to considering complaints about unaffordable and irresponsible lending is set out on our website. I've had this approach in mind when considering what's fair and reasonable in the circumstances of this complaint. While I have taken into account the relevant laws and regulations, my decision is based on what I consider fair and reasonable given the circumstances of this complaint.

As our investigator has explained, before providing credit, lenders need to complete reasonable and proportionate affordability checks. There isn't a set list of checks a lender is required to carry out, it just needs to ensure the checks are proportionate when considering things like: the type and amount of credit being provided, the size of the regular repayments, the total cost of the credit and the consumer's circumstances.

Miss J was provided with two credit cards and I have looked in detail at each of the individual lending decisions.

#### Credit card one

Miss J applied for a credit card in July 2024 with a limit of £5,000. She declared a monthly income of £1,756 and confirmed that she was renting her accommodation and had no dependants.

NatWest conducted an income and expenditure assessment which combined declared income with estimated spending data from the Office of National Statistics (ONS). It deducted £735 for living costs and £684 for housing costs from her declared income. Miss J did not have any other debt balances at this stage so it did not deduct a figure for existing debt repayments.

This gave a figure of £337. Based on an assumption of £175 required to be able to afford the new credit card, this left Miss J with £162 of disposable income each month.

NatWest also used information provided by a Credit Reference Agency (CRA) to assist with the lending decision.

Nothing in Miss J's income and expenditure assessment or her CRA check triggered anything in NatWest's system to suggest that further checks would be necessary.

I think that the checks NatWest carried out at the time of lending for credit card one were reasonable and proportionate. It was Miss J's only line of credit at the time and there was nothing in her circumstances that leads me to believe that further checks should have been done.

Although my view here differs from that of our investigators, I've still gone to look at what further checks would have shown. Based on three months' worth of bank statements in the period leading up to the lending, Miss J's average income was around £2,080 and her average living expenses were around £1,660. This left a monthly disposable income of around £420 which is sufficient to sustainably repay the credit card while leaving a buffer for emergencies. I've also looked at the CRA data provided for Miss J and it does not show any adverse information that should have raised concerns.

In conclusion, I have not seen anything that raises concerns about the affordability of the lending, either in the checks that NatWest carried out or the further information I have looked at. So, I do not find NatWest acted irresponsibly by providing this credit card to Miss J.

#### Credit card two

Miss J applied for a second credit card in November 2024 with a limit of £2,550. She declared a monthly income of £1,900 and confirmed that she was renting her accommodation and had no dependants.

Again, NatWest conducted an income and expenditure assessment which combined declared income with estimated spending data from ONS. It deducted £704 for living costs

and £432 for housing costs from her declared income. This time, it also deducted £64 for unsecured debt balance repayments (revolving debt).

This gave a figure of £700. Based on an assumption of £89 required to be able to afford the new credit card, NatWest calculated that this left Miss J with £611 of disposable income each month.

NatWest also used information provided by a CRA to assist with the lending decision.

Nothing in Miss J's income and expenditure assessment or her CRA check triggered anything in NatWest's system to suggest that further checks would be necessary.

I agree with our Investigator's view that the second credit card took Miss J's credit limit to a relatively high level, and the payments necessary to repay total balances of £7,550 within a reasonable timeframe would be substantial, and therefore that NatWest should not have relied on estimated figures for her outgoings. Additionally, the estimated figure it did rely on for her housing costs had changed significantly from that used only seven months earlier and I can't see any reason why this figure should be lower.

So, I do not think that the checks that NatWest carried out were reasonable and proportionate given the amount and type of lending.

But it doesn't end there. I have gone on to consider whether, if proportionate checks had been carried out, they would have raised any concerns that the loan was not affordable or sustainable for Miss J.

I've looked at three months' worth of bank statements in the period leading up to the lending as this is the easiest way for me to understand Miss J's financial situation and piece together what NatWest would have seen if they had carried out proportionate checks. Miss J's average income was around £1,764 and her average expenses were around £1,350. I've also taken into account the £64 for the existing credit card repayments. This left a monthly disposable income of around £350 which, although lower than the figure calculated by NatWest, is sufficient to sustainably repay the credit card while leaving a buffer for emergencies. I've also looked at the CRA data provided for Miss J and it does not show any adverse information that should have raised concerns. Additionally, credit card one was well managed and did not indicate any issues with Miss J's ability to repay the credit.

I've considered what Miss J has said about already struggling on card one when card two was provided, but using the credit for food and transport on its own isn't an indicator of financial difficulty.

In reaching my conclusions, I've also considered whether the lending relationship between NatWest and Miss J might have been unfair to Miss J 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 Miss J with the credit cards. 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 Miss J, I won't be upholding her complaint against NatWest for the reasons explained above.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 11 March 2026.

Hannah Poulton  
**Ombudsman**

