

## The complaint

Mrs B complains that Nationwide Building Society lent to her irresponsibly.

## What happened

In March 2023, Mrs B applied for a loan with Nationwide. Her application was accepted and the funds were drawn down; Mrs B borrowed £5,000 over 60 months.

Some time later, in 2025, Mrs B complained to Nationwide. She said, in summary, that the loan had been provided irresponsibly; Mrs B didn't think the credit she'd been given was affordable, and she was now in a position of financial difficulty.

Nationwide, in response, didn't uphold Mrs B's complaint. It said it had carried out proportionate checks in the circumstances, and the results of those checks had provided no cause for concern. So, the credit card application had been approved and the lending deemed sustainably affordable.

Mrs B referred her complaint to this Service, and an Investigator here looked at what had happened. Having done so, they thought Mrs B's complaint should be upheld. Nationwide disagreed with that, and the complaint was passed to me.

I issued some provisional findings. I said:

*“As I understand it, Mrs B considers Nationwide to have lent to her irresponsibly. Our Investigator upheld her complaint. They thought Nationwide's checks ought to have gone further, and that it should've looked to verify Mrs B's financial situation. That's because Mrs B's application contained a discrepancy around her existing debt at the time. If Nationwide had gone further, and reviewed her bank statements, the Investigator thought it likely would've seen the lending here was unaffordable for Mrs B. Nationwide disagreed with that, and it maintained that its checks had gone far enough in the circumstances. So, it never would've reviewed her statements or discovered the true extent of Mrs B's financial position.*

*I see both perspectives here. On the one hand, Nationwide is entitled to rely upon information provided by a potential applicant; after all, the onus is on the customer, Mrs B, to provide accurate and true information. And in the round, it appears Nationwide's checks didn't return any adverse information: no recent difficulties or defaults with existing commitments, nor indication of any County Court Judgments or Individual Voluntary Arrangements either. So, I can see why it considers its checks to have gone far enough in the circumstances.*

*On the other hand, though, it's fair to say Mrs B's application contained discrepancies. Not only around her existing revolving credit debt, which in reality was around £5,000 as opposed to £500, but I think there's a question too around her housing situation. Mrs B declared that she had no housing costs; while it's possible such costs were picked up elsewhere, by a family member, for example, I'd say that given the purpose of the loan was for home improvements, and how Mrs B had said she was a homeowner, that having no housing associated costs is surely unlikely. Nationwide didn't question that, but I think, on balance, that the apparent typo in*

*existing debt alongside questionable declarations over housing costs ought to have been cause enough for it to go a little further.*

*To be clear, I'm not saying that Nationwide had to request Mrs B's bank statements. In fact, I think that likely would've been too much scrutiny here given the majority of data seemed to show a stable financial position. Instead, Nationwide could've simply taken steps to question Mrs B in a bit more detail about some of her answers in her loan application. But even if it had, on balance, I don't think it likely that its lending decision would've been any different. To explain, I'm not entirely persuaded that if Mrs B had been questioned further about her housing expenses, for example, that the full picture would've been revealed; the fact is she had already recently been asked how much she spent on housing, which was her opportunity to provide accurate information, and she declared that she had no costs.*

*It follows that even if Nationwide's checks had gone slightly further, while we'll never know for sure what would've been declared had it further examined this aspect, I've nothing tangible to persuade me it's more likely than not that Mrs B's answer would've been materially different, or that the true financial position would've been revealed. As such, I think it more likely that Nationwide would've reasonably continued to lend. I must recognise that its checks painted a broadly positive picture of Mrs B's finances; those checks suggested she had enough disposable income to meet existing commitments and the cost of this loan – as well as any unforeseen expenses. If it didn't know about her true housing costs – something I consider unlikely as things stand, even if it had questioned this aspect in more detail – then I don't think it would've had sufficient reason to decline her application. I'll say here that I've no doubt Mrs B was in a difficult financial situation; there's no reason for me to disbelieve that her wider financial scenario was as she's described. It's just that in these circumstances, based on what I have available, I'm not fully persuaded that Nationwide would've discovered that. As such, with all of that in mind, I'm minded to reach a different conclusion to our Investigator and I don't currently think Mrs B's complaint should be upheld.”*

Nationwide didn't respond to my provisional findings; Mrs B did, and she disagreed with what I'd said. In summary, Mrs B set out:

- My view was inconsistent with our Investigator.
- Another of her complaints had been upheld in the same circumstances which were applicable here.
- Incorrect information, which she'd provided in her application, ought to have been checked by Nationwide.
- The loan was always unaffordable.

I'll now issue my final decision.

### **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.

At the outset, I'll say that I can understand Mrs B's disappointment at my provisional findings. It's a change in the outcome she received from our Investigator, and I know she feels strongly about what happened here. Even so, while I'm sorry about that, I don't find reason to depart from my provisional conclusions. So, in short, and in all the circumstances

before me, I'm not of the view that Nationwide lent irresponsibly; it follows that I don't uphold Mrs B's complaint.

Mrs B isn't wrong when she says my view of the complaint isn't the same as our Investigator's, nor is she wrong when she says Nationwide should've further checked some information provided in her application. My view is different, and Nationwide should've applied further scrutiny. Those statements don't mean, though, that her complaint should be upheld; nor does the outcome of any other complaint she's raised, or her view that the loan was always unaffordable.

To explain, my review here is solely on Nationwide – not any other lending decision, by any other business, subject to a different complaint. No two cases are identical, even if there may very well be close similarities. Generally speaking too, I'm not bound by the findings of an Investigator – or indeed another Ombudsman or decision. So, I don't consider the other complaint Mrs B has referenced to make any difference to my review here.

As I set out in my provisional findings, Nationwide should certainly have carried out further review of Mrs B's application. But I don't think that ought to have extended to full financial verification; the majority of its checks painted a stable picture of Mrs B's finances, and it wouldn't have had grounds to carry out a forensic review of her position. Instead, as I've already said, I think Nationwide could've simply taken steps to question Mrs B in a bit more detail about some of her answers. That likely would've been most appropriate here.

It's fair to say that I don't know for sure what would've happened had Nationwide taken such steps. That said, as I've already explained, I've nothing tangible to persuade me it's more likely than not that Mrs B would've provided materially different information to that in her application, or that the true financial position would've been revealed. Mrs B wanted the loan, she'd had the opportunity to provide accurate information when she applied, and it seems she didn't do so. I can't say then, with any degree of certainty, or that it's more likely than not, that Mrs B would've given substantially different responses even if Nationwide had gone further in its checks.

We know *now* that Mrs B did have housing costs, and from her bank statements at the time we can see the loan was very likely unaffordable for her. But I can't use hindsight here; instead, I must consider what Nationwide knew, or ought to have known, at the time. And for the reasons I've explained, I'm not persuaded Nationwide would've known the true extent of Mrs B's wider financial situation.

In conclusion then, I can't say Nationwide was wrong to provide the credit that it did here. It ought to have carried out further checks, but even if it had – and even if, in reality, the loan wasn't affordable for Mrs B – I'm not persuaded that its decision to lend would've been different. Rather, on balance, I think it's unlikely that Nationwide would have ever known the real position Mrs B was in. So, for the reasons I've already given, I can't fairly conclude that Nationwide acted irresponsibly or otherwise treated Mrs B unfairly in relation to this matter; it follows that I don't uphold the complaint. I haven't seen anything to suggest that Section 140A or anything else would, given the facts of this complaint, lead to a different outcome here.

**My final decision**

My final decision is that I don't uphold Mrs B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 5 March 2026.

Simon Louth  
**Ombudsman**