

The complaint

Mr P complains that National Westminster Bank Public Limited Company (NatWest) irresponsibly lent to him.

What happened

Mr P was approved for a NatWest credit card in August 2021, with a £3,350 credit limit. Mr P says this was irresponsibly lent to him. Mr P made a complaint to NatWest, who didn't uphold his complaint. NatWest said the borrowing was given appropriately. Mr P brought his complaint to our service.

Our investigator did not uphold Mr P's complaint. He said that while NatWest should have completed further checks, it appeared Mr P had a sufficient disposable income to afford the repayments on the £3,350 credit limit.

Mr P asked for an ombudsman to review his complaint. He made a number of points. In summary, he said much of the money moving through his accounts was temporary, borrowed, or family-related, and it didn't reflect genuine, reliable earnings that could support long term credit repayments. Mr P said his savings were quickly exhausted, and his savings balance was 71p in January 2022. He said he was on a fixed term contract at the time of his application, and he was reliant on state benefits at times. Mr P said that the size of the credit limit was wholly unsuitable.

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 Mr P, 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 P had provided before approving his application. The information showed that Mr P declared a net monthly income of £1,400. Although Mr P says his job was a fixed term contract, the application data shows he told NatWest he was full time employed, so I wouldn't expect them to know Mr P's role was potentially temporary.

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

The CRA told NatWest that Mr P had a total unsecured debt of £4,000. NatWest also used

modelling to complete their affordability assessment for Mr P, which is an industry acceptable way of estimating outgoings. They also built into the affordability assessment information from the CRA about Mr P's monthly credit commitments. The affordability assessment showed that Mr P would have a sufficient disposable income to sustainably afford repayments for a £3,350 credit limit, even considering his existing debt.

So based on the credit limit being around 15.9% of Mr P'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 P's bank statements, or requesting payslips from him, as the checks showed that Mr P should be able to sustain affordable repayments for a £3,350 credit limit. So I'm persuaded that NatWest's checks were proportionate, and they made a fair lending decision here.

I've considered what Mr P has said about his savings balance in January 2022. But this was five months after the credit card was approved, and therefore I'm not persuaded that this would have been foreseeable to NatWest prior to the credit card being approved. But I'm not persuaded that further checks would have been proportionate anyway, based on what the checks NatWest completed showed.

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 P 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 P to accept or reject my decision before 2 December 2025.

Gregory Sloanes
Ombudsman