

## **The complaint**

Miss K complains that National Westminster Bank Public Liability Company (NatWest) lent irresponsibly when it approved her credit card application.

## **What happened**

Miss K applied for a NatWest credit card in October 2024. In her application, Miss K confirmed she was working with an annual income of £41,295. NatWest says it used a service provided by the credit reference agencies to verify Miss K's income and used a net monthly figure of £2,753.

A credit search found Miss K had existing debts of around £27,100 and was making monthly loan payments of £388 and credit card payments of £494. No adverse credit, defaults or recent missed payments were noted on Miss K's credit file.

NatWest completed an affordability assessment using Miss K's net monthly income of £2,753 and outgoings for housing of £462, general living expenses of £914, credit commitments totalling £882 and a buffer of £75. NatWest says that left Miss K with around £450 a month remaining. NatWest also used a new credit card payment of £248.50 (covering the new limit of £7,100 it went on to approve) leaving Miss K with £201.50 a month. NatWest approved the application and issued a credit card with a limit of £7,100.

Miss K used to complete a balance transfer of £4,600 from another credit card and for general spending. The credit card was subject to a 0% promotional interest rate on balance transfers and purchases until May 2026.

More recently, Miss K complained that NatWest lent irresponsibly and it issued a final response. NatWest said it had completed the relevant lending checks before approving Miss K's application and didn't agree it lent irresponsibly.

An investigator at this service looked at Miss K's complaint. They thought NatWest completed proportionate checks and its decision to lend was reasonable based on the information it obtained. As the investigator wasn't persuaded NatWest lent irresponsibly they didn't uphold Miss K's complaint. Miss K asked to appeal and said part of the balance was transferred from another credit card and that lender had upheld an irresponsible lending complaint she made. As Miss K asked to appeal her complaint has been passed to me to make a 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.

We've explained how we handle complaints about unaffordable and irresponsible lending on our website. I've used this approach to help me decide Miss K's complaint.

NatWest needed to make sure it didn't lend irresponsibly. In practice, what this means is

NatWest needed to carry out proportionate checks to be able to understand whether Miss K could afford to repay any credit it provided.

Our website sets out what we typically think about when deciding whether a lender's checks were proportionate. Generally, we think it's reasonable for a lender's checks to be less thorough – in terms of how much information it gathers and what it does to verify it – in the early stages of a lending relationship.

But we might think it needed to do more if, for example, a borrower's income was low or the amount lent was high. And the longer the lending relationship goes on, the greater the risk of it becoming unsustainable and the borrower experiencing financial difficulty. So we'd expect a lender to be able to show that it didn't continue to lend to a customer irresponsibly.

I've set out the information NatWest used when considering Miss K's application above. As noted, Miss K gave details of her income which was verified via a service provided by the credit reference agencies. NatWest used a net monthly figure of £2,753 and I'm satisfied that was reasonable based on the information it obtained.

The credit search showed Miss K owed around £27,100 in other unsecured debt already. I accept that was a reasonably large figure when compared against Miss K's income. But I think it's fair to say her credit file showed all her accounts were up to date with no evidence of recent missed payments or any adverse credit. And I think it's also fair to say that this credit card came with a 19 month 0% promotion on balance transfers made within the first three months so there was some expectation it would reduce Miss K's monthly outgoings if used for that purpose. Overall, I'm satisfied NatWest checked Miss K's credit file and took her outstanding debts and monthly repayments into account when deciding whether to lend.

NatWest's affordability assessment used Miss K's net monthly income and credit commitments. NatWest also used estimates for Miss K's housing costs and general living expenses – an approach it's allowed to use in line with the relevant lending rules. I can see NatWest used £462 for Miss K's housing and £914 for her living expenses. In my view, those were reasonable estimates. I also note a buffer of £75 was added to the assessment. The affordability assessment reached the view Miss K had around £450 remaining before her new credit card payments and £201.50 after on the basis she borrowed the limit. Whilst I accept that is a reasonably modest disposable income, I'm satisfied NatWest made reasonable deductions for Miss K's outgoings and that reached a fair lending decision.

I've considered the available information but haven't been persuaded NatWest lent irresponsibly. In my view, NatWest carried out proportionate checks before approving Miss K's application and its decision to lend was reasonable based on the information it obtained. I'm sorry to disappoint Miss K but as I haven't been persuaded NatWest lent irresponsibly I'm unable to uphold her complaint.

I should add that if I were to uphold Miss K's complaint our normal approach is to refund any interest, fees or charges applied from the date of approval. But, at the time we received the business file, no fees or charges except the balance transfer fee had been applied to the account. And no interest will be due until May 2026. That means even if I were to uphold Miss K's complaint no refund would be due.

I've considered whether the business acted unfairly or unreasonably in any other way including whether the relationship might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think NatWest lent irresponsibly to Miss K or otherwise treated her unfairly. 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.

If Miss K is experiencing financial difficulties and struggling with repayments I can see NatWest's final response provided details of how to discuss this with it so support can be provided. Alternatively, our website contains details of various organisations that may be able to assist. This information can also be obtained directly from our investigator.

### **My final decision**

My decision is that I don't uphold Miss K's complaint.

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

Marco Manente  
**Ombudsman**