

The complaint

Mr W complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (NatWest) lent to him irresponsibly when they provided him with a credit card.

What happened

In 2020, Mr W was provided with a credit card, with an initial credit limit of £4,000. There were no limit increases applied to the card, but the limit was decreased slightly on two occasions.

In 2025, Mr W complained. In summary he said NatWest had irresponsibly lent to him, and that sufficient checks – to ensure his affordability status – hadn't been undertaken.

NatWest didn't uphold the complaint. They said, in summary, that they had carried out checks proportionate to the amount being lent; those checks hadn't revealed any concerns, and on that basis, the credit had been granted. So, they were satisfied they had lent responsibly.

Mr W disagreed; he still thought NatWest were wrong to have lent to him. So, he referred his complaint to this Service for independent review.

An Investigator here considered what had happened; having done so, he didn't think NatWest had done anything wrong. In short, the Investigator said:

- The checks carried out by NatWest were proportionate in the circumstances.
- The information gathered as a result of those checks wouldn't have given NatWest any cause for concern.
- There was nothing that would have suggested to NatWest that Mr W was struggling financially, and/or wouldn't be able to afford the repayments towards the loan.
- Any financial struggles, which did materialise for Mr W later, wouldn't have been apparent to NatWest at the time they provided Mr W with the credit.
- Overall, with that in mind, NatWest hadn't acted unfairly or unreasonably in providing the loan to Mr W.
- He also didn't think NatWest had treated him unfairly when he was struggling with his repayments.

Mr W disagreed; and he maintained he'd been irresponsibly lent to. So, as no agreement has been reached by the parties, Mr W's complaint has now 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.

Having done so, while this will no doubt disappoint Mr W, I agree with the findings of our Investigator and for broadly the same reasons. I'll explain why.

The rules and regulations in place at the time Mr W was provided with the loan, required NatWest to carry out a reasonable and proportionate assessment. That's to determine whether Mr W could afford to repay what he owed in a sustainable manner. This practice is sometimes referred to as an 'affordability assessment' or 'affordability check'.

The checks had to be borrower focussed; that is, relevant to Mr W. So, NatWest had to think about whether repaying the credit sustainably would cause him difficulties, or other adverse consequences. In other words, NatWest had to consider the impact of any repayments on Mr W.

Checks also had to be 'proportionate' to the specific circumstances of the lending. In general, what constitutes a proportionate affordability check will be dependent on a number of factors including – but not limited to – the particular circumstances of the consumer (e.g: their financial history, current situation and outlook, any indications of vulnerability or financial difficulty) and the amount/type/cost of credit they were seeking. I've kept all of this in mind when thinking about whether Nat West did what they needed to before agreeing to lend to Mr W.

Before agreeing to lend, NatWest checked data recorded with Credit Reference Agencies ("CRAs"); and they relied upon information provided by Mr W in his application. I've been provided the results of NatWest's checks and, in my view, the data they gathered didn't suggest that there was any real cause for concern.

Rather, information obtained from CRAs didn't show any recent defaults; nor was Mr W subject to an Individual Voluntary Arrangement ("IVA"). It showed no recent defaults. And didn't identify any recent arrears on existing credit.

Mr W had declared an income of £60,000, which NatWest carried out verification on using credit reference agency data, and took into account other household income that Mr W had access to from his partner. They also reduced the income Mr W declared for himself, based on an "amber" rating received, on the likelihood of that income being accurate from the credit check they ran. Having done so, they assessed the application on a reduced income of £43,800.

The credit check identified total credit commitments of £13,250, and mortgage/rent expenditure of £760 a month. When deducting Mr W's monthly commitments towards the above expenditure, along with estimated expenditure they used for general living costs - as part of their proportionate checks - they concluded that Mr W had a disposable income of over £2,000 a month. Based on these figures, and the total credit commitments Mr W had in his name, along with a good credit history, I think NatWest's checks went far enough, and I think it was reasonable for them to conclude that the credit card would be affordable for Mr W on that basis.

Mr W has argued that his work was contract work. He said his income was not guaranteed, and that he would often receive less than this. He said that taxes and other deductions were not factored into these costs. But as explained above, NatWest wasn't obligated to carry out a full verification of Mr W's income, such as by using payslips or self-employed accounts. Instead, their checks had to be proportionate to the amount being lent.

In this case, NatWest assessed Mr W's disposable income based off of a net monthly income, calculated from Mr W's testimony, which allowed for tax deductions. They then used credit reference agency data to verify the income, and made a significant reduction to it, based on the results of their checks - applying further scrutiny to the income and expenditure assessment. Having done so, the results of the checks still suggested that Mr W had ample disposable income from which to make his repayments.

Based on Mr W's credit history, and the information NatWest saw, I'm satisfied that NatWest carried out proportionate checks when assessing his application for credit. And, based on the results of those checks, I think it was reasonable for them to provide the credit card to Mr W with the initial limit that was set.

I've also thought about how NatWest treated Mr W when he said he was struggling with his repayments, albeit I can't see this point was explicitly raised as part of his complaint. But I've seen no evidence to show that Mr W reached out to NatWest to inform them that he was struggling with his repayments at any time. And while there was an issue with a missed payment on one direct debit, due to a bereavement, there was no suggestion that he required ongoing support or was having difficulty in maintaining his payments in general. So I've not seen anything to suggest he was treated unfairly.

Finally, I've also considered whether the relationship might have been unfair under Section 140A (S140A) of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think NatWest lent irresponsibly to Mr W or otherwise treated him unfairly in relation to this matter. I haven't seen anything to suggest that S140A would, given the facts of this complaint, lead to a different outcome here.

My final decision

My final decision is that I do not uphold Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 12 January 2026.

Brad McIlquham
Ombudsman