

## **The complaint**

Mr M complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (“NatWest”) lent to him irresponsibly.

## **What happened**

Mr M opened a credit card account with NatWest in 2024; it had a credit limit of £10,000. Around a year later, in 2025, Mr M complained to the bank. He said, in summary, that the credit card had been provided irresponsibly; Mr M didn’t think the credit he’d been given was affordable, and he was now in a position of financial difficulty.

NatWest, in response, didn’t uphold Mr M’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.

Mr M referred his complaint to this Service, and an Investigator here looked at what had happened. Having done so, they didn’t think Mr M’s complaint should be upheld. In summary, the Investigator said:

- NatWest had carried out proportionate checks before agreeing to provide Mr M with a credit card.
- The bank had conducted an affordability assessment using Mr M’s declarations for his income and expenditure, it had applied statistical data to further test that information; it had also carried out a check with Credit Reference Agency (“CRA”) data to review Mr M’s existing credit commitments and how he was managing them.
- The results of those checks didn’t return any information which suggested the credit card would be unaffordable for Mr M.
- The credit card had, in fact, served to improve Mr M’s wider financial position. It had facilitated Mr M transferring some existing debt to a 0% interest rate; effectively reducing his liabilities elsewhere.
- Overall, there wasn’t anything to suggest NatWest had acted irresponsibly, or otherwise unfairly, when it approved Mr M’s application for a credit card.

Mr M disagreed. He largely reiterated his general view that the credit provided by NatWest was unaffordable, and he should never have been approved for such a facility. He made reference to how his self-employment meant his income fluctuated, and that NatWest ought to have gone further in its checks.

Our Investigator reconsidered, in light of Mr M's objections, but they didn't change their view of the matter. They explained that there wasn't a set list of checks lenders had to undertake before agreeing to provide credit and, in the round here, NatWest had done enough. Mr M asked for an Ombudsman's decision. So, as no agreement has been reached, his 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'll say first that I know just how strongly Mr M feels about what's happened here – and I'm truly sorry to read of the impact to him. There's no question he is, and has been, in a difficult financial situation. So, before I cover anything else, I'd certainly encourage Mr M to reach out to organisations which can provide support and advice; our Service will be happy to pass on contact details of such groups, should Mr M like them.

At the outset, it's also important for me to explain I haven't commented on each and every statement Mr M has made. Instead, I've focussed on what I deem to be the crux of the matter. That's because our role is to be an informal service; I don't intend any discourtesy in my approach, it's simply to align with that purpose.

I'll also explain, just as something to keep in mind, that my role here is to remain impartial and I must look at things holistically; that is to step back from the emotion, regardless of how I know Mr M feels here, and consider whether NatWest acted in a fair and reasonable way in all the circumstances. And while I know this will surely disappoint Mr M, I think it did.

Broadly, I agree with the findings of our Investigator here for largely the same reasons. Fundamentally, NatWest needed to make sure that it didn't lend irresponsibly. In practice, what this means is that it needed to carry out proportionate checks to be able to understand whether Mr M could make his payments in a sustainable manner before agreeing to lend. If the checks NatWest carried out *weren't* sufficient, then I'll need to consider what reasonable and proportionate checks are likely to have shown.

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 that information – in the early stages of a lending relationship. That said, we might think it needed to do more if, for example, a borrower's income was low; or if the information the lender had – such as a significantly impaired credit history – suggested it needed to know more about a prospective borrower's ability to repay.

Here, NatWest has told us that it used CRA data to build a view of Mr M's existing credit commitments and how he was managing them; it used his declarations to determine essential expenditure and income, and it applied statistical data too as a way of further testing affordability. From what I've seen, the results of those checks painted a stable and healthy picture of Mr M's finances at the time.

Specifically, recorded CRA data suggested Mr M's existing commitments were up to date; there wasn't any recent adverse information recorded against him, which suggests Mr M was managing things well. Mr M's declared income against his declared – and adjusted – outgoings showed he'd comfortably have enough disposable income to meet the repayments. No County Court Judgments or Individual Voluntary Arrangements were

recorded either.

At this point, I'll say I know Mr M's opinion is such that NatWest ought to have carried out significantly more detailed checks into his finances. I accept his point about how self-employment can mean a fluctuating income too, and it's fair to say he was being provided with a reasonably material line of credit here given the limit of £10,000. I also know Mr M disputes some of the information returned by CRAs.

There's some argument to say NatWest could have looked to have gone a little further in its review of Mr M's application; by verifying his income, for example. That said, the fact is there are no fixed checks that businesses must complete when reviewing an application for credit. The rules applicable at the time Mr M applied for the credit card set out that checks should be proportionate to the circumstances. NatWest was, broadly speaking, entitled to rely upon the declarations Mr M had made; there's no requirement on a lender to review specific things such as bank statements, or wage slips, for example. So, while in some instances checks should go further, I can't fairly say that NatWest was wrong to not run those sorts of checks in these specific circumstances. There was no regulatory requirement to do so and, given the surely stable picture of Mr M's overall finances NatWest checks did portray, with no signs of concern, I don't think it would've been absolutely necessary here.

Moreover, alongside Mr M's declarations, NatWest was similarly entitled to rely upon the CRA data returned to it. The bank had no obligation to check with all CRAs or cross-reference between them; it's also worth pointing out that data can differ between the different CRAs too. Some businesses, for example, don't report to all.

With everything I've set out in mind then, and considering *all* of the information NatWest gleaned before approving Mr M's application, my view is that he was, on the face of it, managing his existing commitments well and demonstrated no indication that the credit would be unaffordable for him. To be clear, I'm not saying that Mr M wasn't – or isn't now – under some level of financial pressure; it's just that here, in these circumstances, I think NatWest was entitled to rely upon the results of the checks it carried out. The results didn't provide it with any cause for concern. My view is that nothing NatWest discovered ought to have given it cause for concern enough to not lend, nor that it should've been prompted to entirely verify Mr M's wider financial situation. So, with all of that in mind, I don't think NatWest made an irresponsible lending decision in granting Mr M this credit card.

In closing, I know Mr M will be disappointed by this decision. As with any complaint though, the key point to remember is that it's only fair and reasonable for me to uphold a complaint in circumstances where I can conclude a business did something wrong. Here, I don't think NatWest could have known – or ought to have known – that the payments for this credit card were, or would become, unaffordable at the time of lending. So, for the reasons I've already given, I can't fairly conclude that NatWest acted irresponsibly or otherwise treated Mr M 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 Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 10 March 2026.

Simon Louth  
**Ombudsman**