

## The complaint

The Royal Bank of Scotland Plc (RBS) provided Ms P with a loan in 2023. Ms P says the loan was provided irresponsibly.

## What happened

RBS provided the loan for £10,000, with monthly repayments of around £130 required for 96 months.

RBS didn't agree they had lent irresponsibly and as Ms P remained unhappy, she brought her complaint to our service.

Our investigator looked into what happened and felt RBS had carried out reasonable and proportionate checks before agreeing to lend.

Ms P disagreed with our investigator, so her complaint was passed to me for a 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.

We've set out our general approach to complaints about unaffordable or irresponsible lending on our website, and I've taken this into account in deciding Ms P's case.

I've decided the loan was provided fairly because:

- I think the checks RBS did before providing the credit were reasonable and proportionate given the specifics of the loan and what they knew about Ms P's financial situation.
- Ms P declared a net monthly income of £2,000 and housing costs of £272.
- RBS verified the income using Current Account Turnover data (CATO), which is information supplied by a credit reference agency (CRA) and is a calculation of customer income based on current account turnover, or in other words, the amounts going through a customer's bank account.
- Other information supplied by the CRA showed Ms P had existing debt of around £7,000 requiring monthly payments of about £240. There were no historical defaults or other adverse markers reported. RBS used statistical data to estimate monthly living costs of £782, and this data also estimated Ms P's housing costs to have been slightly higher than she declared, so they used the higher figure, £310, in their assessment.

- Using all this information, RBS calculated that Ms P would have a remaining disposable income of around £670 and felt that the monthly repayments for this loan appeared to be affordable.
- Ms P has provided us with copies of her bank statements to support her position. But I don't consider RBS needed to review them before agreeing to lend given what their credit checks showed. So, while I appreciate her strength of feeling, I don't consider it would be fair to place weight on the content of her bank statements in determining whether RBS lent to her fairly.
- Based on the information RBS gathered and what it knew about Ms P's circumstances, there was nothing to suggest Ms P was unlikely to be able to repay what was owed.
- I don't think RBS acted unfairly in any other way.

Ms P has argued that RBS checks didn't go far enough and that their verification of income was incorrect, in part because her self-employed income wasn't paid directly into her existing RBS current account.

As I've referred to above, CATO was used to verify the income that Ms P had declared and as it is performed by a CRA, it wouldn't have only looked at her RBS account, and either way it did validate the income declared. I consider this to be a reasonable approach for RBS to take in the circumstances of this lending decision.

This means I don't think RBS did anything wrong when it provided the loan to Ms P.

Ms P also complains that RBS contributed to her stress as they sent her numerous letters when she was struggling financially. Whilst I sympathise with Ms P and the difficulties she has faced, I can see that RBS were trying to engage with her in the way that our service would expect when repayments were missed, but unable to get a response.

I've also considered 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 RBS lent irresponsibly to Ms P or otherwise treated her unfairly. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

I know this isn't the outcome Ms P hoped for. But for the reasons above, I'm not asking RBS to do anything to put things right.

### **My final decision**

My final decision is that I'm not upholding Ms P's complaint about The Royal Bank of Scotland Plc.

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

David Barker  
**Ombudsman**