

## Complaint

Mr S has complained about a credit card National Westminster Bank Public Limited Company (“NatWest”) provided to him. He says that the credit card and the subsequent limit increases were unaffordable for him and resulted in the lending relationship between him and NatWest being unfair to him.

## Background

In September 2013, NatWest provided Mr S with a credit card with an initial limit of £3,500.00. Mr S’ credit limit was then increased on three occasions on the following dates:

November 2015 – limit increased to £4,250.00

January 2020 – limit increased to £5,400.00

November 2021 – limit increased to £6,500.00

In January 2025, Mr S complained saying that the credit card and the limit increases NatWest provided were unaffordable for him and caused him continued financial difficulty as he had to borrow from friends, family and other lenders in order to make his payments.

NatWest did not uphold Mr S’ complaint. It was satisfied that proportionate checks had been carried out at the time of Mr S’ application as well as when he was offered the limit increases and so it was reasonable to lend. When responding to our request for its file on Mr S’ complaint, NatWest told us that it believed Mr S had complained about the initial decision to provide the card and the first limit increase too late.

One of our investigators reviewed what Mr S and NatWest had told us. And he thought NatWest hadn’t done anything wrong or treated Mr S unfairly in relation to providing the credit card or increasing Mr S’ credit limit on the occasions that it did. So he didn’t recommend that Mr S’ complaint be upheld.

Mr S disagreed and asked for an ombudsman to look at the complaint.

## My findings

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

### *Basis for my consideration of this complaint*

There are time limits for referring a complaint to the Financial Ombudsman Service. NatWest has argued that Mr S’ complaint about the initial decision to provide the card and the first limit increase was made too late because he complained more than six years after these lending decisions; as well as more than three years after he ought reasonably to have been aware of his cause to make this complaint.

Our investigator that Mr S’ complaint was one alleging that the relationship between him and NatWest was unfair to him as described in s140A of the Consumer Credit Act 1974 (“CCA”).

He also explained why this complaint about an allegedly unfair lending relationship had been made in time.

Having carefully considered everything, I've decided not to uphold Mr S' complaint. Given the reasons for this, I'm satisfied that whether Mr S' complaint about the specific lending decisions was made in time or not has no impact on that outcome.

I'm also in agreement with the investigator that Mr S' complaint should be considered more broadly than just the lending decisions. I consider this to be the case as Mr S has not only complained not about the respective decisions to lend but has also alleged that this resulted in an unfair lending relationship.

I'm therefore satisfied that Mr S' complaint is a complaint alleging that the lending relationship between himself and NatWest was unfair to him. I acknowledge NatWest may not agree that we can look at parts of Mr S' complaint, but given the outcome I have reached, I do not consider it necessary for me to make any further comment, or reach any findings on these matters.

In deciding what is fair and reasonable in all the circumstances of Mr S' case, I am required to take relevant law into account. As, for the reasons I've explained above, I'm satisfied that Mr S' complaint can be reasonably interpreted as being about the fairness of the lending relationship between him and NatWest, relevant law in this case includes s140A, s140B and s140C of the CCA.

S140A says that a court may make an order under s140B if it determines that the relationship between the creditor (NatWest) and the debtor (Mr S), arising out of a credit agreement is unfair to the debtor because of one or more of the following, having regard to all matters it thinks relevant:

- any of the terms of the agreement;
- the way in which the creditor has exercised or enforced any of his rights under the agreement;
- any other thing done or not done by or on behalf of the creditor.

Case law shows that a court assesses whether a relationship is unfair at the date of the hearing, or if the credit relationship ended before then, at the date it ended. That assessment has to be performed having regard to the whole history of the relationship. S140B sets out the types of orders a court can make where a credit relationship is found to be unfair – these are wide powers, including reducing the amount owed or requiring a refund, or to do or not do any particular thing.

Given Mr S' complaint, I therefore need to think about whether NatWest' decision to initially lend to Mr S, increase his credit limit on the occasions it did, or its later actions resulted in the lending relationship between Mr S and NatWest being unfair to Mr S, such that it ought to have acted to put right the unfairness – and if so whether it did enough to remove that unfairness.

Mr S' relationship with NatWest is therefore likely to be unfair if it didn't carry out reasonable and proportionate checks into Mr S' ability to make his repayments in circumstances where doing so would have revealed the credit card or the limit increases to been unaffordable, or that it was irresponsible to lend. And if this was the case, NatWest then didn't somehow then remove the unfairness this created.

*Were the decisions to provide the credit card and subsequent credit limit increases unfair?*

We've explained how we handle complaints about unaffordable and irresponsible lending on our website. And I've used this approach to help me decide Mr 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 Mr S 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.

NatWest says the information obtained indicated that Mr S would be able to make the monthly repayment due on this credit card. It says similar checks were carried out before the credit limit was increased on the occasions that it was and these checks also showed the limit increases to be affordable. On the other hand, Mr S says that the credit card and limit increases were unaffordable and that this created an unfair lending relationship. I've considered what the parties have said.

#### *NatWest's initial decision to offer Mr S a credit card*

Mr S was provided with a revolving credit facility rather than a loan. This means that to begin with NatWest was required to understand whether a credit limit of £3,500.00 could be repaid within a reasonable period of time, rather than in one go.

I understand that NatWest is likely to have carried out a credit search but given the length of time since Mr S' application it no longer has a record of this. In any event, I haven't seen anything to indicate that Mr S had any significant adverse information - such as defaulted accounts or county court judgments recorded against him.

Furthermore, Mr S' declared income around this time indicates that he is likely to have had enough to meet the repayments to this credit card as well as his reasonable expenses. As this is the case, I'm satisfied that it was unfair for NatWest to offer Mr S a credit card with a limit of £3,500.00 and therefore there was no unfairness created at this stage.

#### *The credit limit increases NatWest offered to Mr S*

As I've explained in the background section of this decision, NatWest increased Mr S' credit limit on three occasions. It increased Mr S' credit limit to £4,250.00 in November 2015, £5,400.00 in January 2020 and then £6,500.00 in November 2021.

Bearing in mind the extra being granted at the time of these limit increases and the fact that Mr S could be left with having to repay £4,250.00, £5,400.00 and then £6,500.00 within a reasonable period of time, I do think that it would have been reasonable and proportionate for NatWest to have found out a bit more about Mr S' regular living costs before offering these increases. As I can't see that this was something that NatWest did do, I don't think that it carried out reasonable and proportionate checks before providing these increases to Mr S.

That said, having looked at copies of the current account statements Mr S has provided, I'm not persuaded that Mr S' regular non-discretionary living costs were higher than what

NatWest believed at the time of his application. I accept that Mr S says that his actual circumstances at the time were worse than what this information shows.

I know that he's said the only reason he had any money was because he was borrowing from friends and family. Nonetheless, I don't think that NatWest was aware of this. Indeed, such borrowing wouldn't have shown up on any credit searches. Equally, the credit searches that NatWest carried out not only continued to show that Mr S had no significant adverse information recorded against him, but what he did have was being managed reasonably well.

As I can't see that Mr S' actual living expenses and non-discretionary expenditure were much higher than what NatWest believed them to be, I don't think that NatWest could reasonably be expected to know that Mr S' circumstances were worse than what proportionate checks are likely to have shown, or that this may have resulted in the limit increases being unaffordable.

So I can't see that requesting further information about Mr S' actual living costs, would have shown NatWest that it shouldn't have offered to increase Mr S' credit limit on the occasions that it did. Consequently, I'm not persuaded that it doing more here would, in any event, have made a difference to its decisions and I don't think that it was unfair for NatWest to offer these credit limit increases, or that it doing so created unfairness either.

Overall, and based on the available evidence I don't find that Mr S' relationship with NatWest was unfair. I've not been persuaded that NatWest created unfairness in its relationship with Mr S by irresponsibly lending to him whether when initially agreeing to provide him with a credit card, or in respect of the credit limit increases. I don't find NatWest treated Mr S unfairly in any other way either based on what I've seen.

So overall and having considered everything, while I can understand Mr S' sentiments and appreciate why he is unhappy, I'm nonetheless not upholding this complaint. I appreciate this will be very disappointing for Mr S. But I hope he'll understand the reasons for my decision and that he'll at least feel his concerns have been listened to.

### **My final decision**

For the reasons I've explained, I'm not upholding Mr S' complaint.

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

Jeshen Narayanan  
**Ombudsman**