

The complaint

Mr H complains that National Westminster Bank PLC (“NatWest”) unfairly reduced the credit limit on his credit card and did not respond appropriately given his vulnerabilities.

What happened

Mr H says he repaid £11,000 in July 2025 and that NatWest immediately reduced his credit limit from £13,500 to £3,273. He says NatWest knew he was a vulnerable customer but refused to conduct a fair reassessment or reinstate his credit limit. Mr H says NatWest’s investigation was rushed and it failed to locate key calls or properly deal with his Subject Access Request (SAR). He adds that NatWest has since admitted a bank error and offered him £125 which he considers wholly insufficient given his distress, his vulnerabilities and the bank’s poor handling of the situation.

NatWest says it reduced Mr H’s credit limit on 28 July 2025, after an account review. It says the review happened after Mr H’s large payment, and so the agent he spoke to in early July wouldn’t have known a review was due. NatWest says that Mr H’s account didn’t attract interest or charges whilst it was being managed within its Specialist Support Team and that a further one month’s waiver of charges was agreed for July 2025. It explains that his credit file correctly reflects missed payments in April, May and June 2025, but is showing as up to date from July 2025. It agreed to pay Mr H £75 for delays in handling his complaint, and a further £50 because Mr H said an agent disconnected a call which NatWest was unable to locate. NatWest confirmed it had raised Mr H’s SAR concerns as a separate complaint.

Our investigator did not recommend that the complaint should be upheld. He explained that NatWest was entitled to complete risk assessments and to make a commercial decision to reduce a credit limit. He considered the £125 compensation to be reasonable for the customer service issues identified.

Mr H responded to say that he accepted the conclusions reached about NatWest’s contractual right to review and reduce credit limits. However, he said that NatWest was aware of his severe mental health issues and its handling of his complaint significantly worsened his distress. As such, he said, compensation of £125 does not reflect the severity of the impact, particularly considering the Financial Conduct Authority’s (FCA) guidance on the fair treatment of vulnerable customers.

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.

As Mr H has accepted the investigator's findings on the reduction of the credit limit, I will not reconsider that aspect of his complaint.

However, I do acknowledge that Mr H remains concerned that NatWest has not treated him fairly with respect to his vulnerabilities and has minimised the impact its actions have had on him.

I have looked at Mr H's credit card statements, and I can see the balance steadily increased from October 2023, at which time he had 0% interest offers on the account. Interest began to be charged again in March 2024, but NatWest suspended these charges from July 2024 until January 2025 to enable Mr H to reduce his balance. I can see Mr H got in touch in March 2025 and told NatWest he was struggling financially and the high interest was severely affecting his mental health. NatWest suspended interest again and asked Mr H to complete an income and expenditure form so that it could put a payment plan in place.

Mr H said he could not complete the form and did not get in touch again until he called NatWest on 3 July 2025. I have listened to the call and am satisfied the agent responded fairly to Mr H's request to make payment in branch by offering him an additional 24 hours in which to do so. Indeed, at the end of the call, the agent asks:

Is anything affecting your ability to communicate with the bank or make any financial decisions from your health?

And

Do you need any additional support from the bank?

Mr H responded "No" to both questions.

So, whilst NatWest had previously logged Mr H's vulnerabilities, these were not active on his account at the time he complained.

Based on everything I've seen and heard, I'm satisfied that NatWest did not contravene the FCA's guidance on the fair treatment of vulnerable customers. It had a history of suspending interest charges over many months and actively engaged with Mr H to try to set up an affordable repayment plan.

I accept that NatWest took some time to respond to Mr H's complaint, but I can see it provided updates in the meantime. Ultimately, it did respond within the required eight weeks and paid him £75 for the delay.

And, although it could not locate the call in question, NatWest said it did not doubt Mr H when he said an agent had disconnected the call and paid him £50 for this.

I find the total compensation of £125 is fair for the two issues identified. This is in line with our usual awards in this area:

An award between £100 and £300 might be fair where there have been repeated small errors, or a larger single mistake, requiring a reasonable effort to sort out. These typically result in an impact that lasts a few days, or even weeks, and cause either some distress, inconvenience, disappointment or loss of expectation.

In summary, I don't find NatWest needs to do anything further, but Mr H should contact the bank again to ensure that his current vulnerabilities are properly recorded.

My final decision

My decision is that I do not uphold the complaint.

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

Amanda Williams
Ombudsman