

The complaint

Mrs R complains that National Westminster Bank Public Limited Company provided her with an unaffordable overdraft facility.

What happened

NatWest provided Mrs R with an overdraft facility on the terms set out in the table below:

Date	Event	Credit limit
October 2017	Original limit	£3,000
November 2018	1 st credit limit increase	£5,500

Mrs R complained to NatWest in February 2024 about irresponsible lending. She said NatWest shouldn't have given her these overdraft facility limits, and should have identified patterns of reliance and hardcore borrowing through the overdraft facility. She therefore complained that NatWest had created an unfairness in its relationship with her.

NatWest issued a final response in which it didn't uphold Mrs R's complaint. In summary, it said its checks were proportionate and that it had made fair lending decisions. Unhappy with NatWest's response Mrs R referred her complaint to our service for review.

One of our investigators looked at the details of this complaint and considered it was reasonable to interpret it to be about the fairness of Mrs R's relationship with NatWest. As such she went on to review the details of the complaint on this basis. Having done so, she set out within her latest view in January 2026 that she didn't consider NatWest had acted unfairly in its lending decisions, or in the continuing provision of the overdraft facility. So, she didn't uphold the complaint.

NatWest didn't respond to our investigator's latest view; Mrs R simply asked for an ombudsman's review. As such the 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.

The information in this case is well known to Mrs R and NatWest, so I don't intend to repeat it in detail here. I'd like to acknowledge the personal circumstances Mrs R has made us aware of, which she's said has in part led to her not making her complaint earlier, and the more recent update about her financial circumstances; I am sorry to hear of these events. I'd like to assure both parties I've carefully reviewed everything available to me even though I may not have commented on it, because I've focused my decision on what I consider to be the key points of this complaint. I don't mean to be discourteous to Mrs R or NatWest by taking this approach, but this simply reflects the informal nature of our service.

Initially I think it's helpful for me to set out that there are time limits for bringing a complaint to our service, and NatWest has said Mrs R's complaint about the original overdraft facility limit

was referred to us late. Our investigator set out within their view why they didn't think we could look at a complaint about the lending event that NatWest made more than six years before the complaint was made.

But they also went on to explain why it was reasonable to interpret Mrs R's complaint as being about an unfair relationship as described in section 140A (s.140) of the Consumer Credit Act 1974 (CCA); and why they therefore considered Mrs R's complaint about an allegedly unfair lending relationship had been made to us in time.

I don't intend to go into the same level of detail our investigator already set out in my decision here, but for the avoidance of doubt I agree with our investigator that I have the power to look at Mrs R's complaint on this basis. I say this because I'm satisfied Mrs R's complaint is that NatWest irresponsibly provided her with lending which was unaffordable for her, and that this potentially created an unfairness in the relationship.

The original lending and ongoing provision of this overdraft may have made the relationship unfair, as Mrs R may have paid more in interest and charges than she could afford. I acknowledge NatWest doesn't agree we can look at any events more than six years before Mrs R's complaint was made, but as I'm not upholding this complaint, I won't be commenting on this further.

In deciding what's fair and reasonable I'm required to take into account, amongst other matters, relevant law. As I consider Mrs R's complaint is about the fairness of her relationship with NatWest, relevant law in this case includes s.140A-C of the CCA.

S.140A says a court may make an order under s.140B if it determines that the relationship between the creditor (in this case NatWest) and the debtor (Mrs R), 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. NatWest has confirmed the relationship is ongoing.

S.140B 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 the details of Mrs R's complaint, I need to consider whether NatWest's decision to lend to her, or any other actions it may have taken, created an unfairness in the relationship between her and NatWest; and if it did, whether NatWest took reasonable steps to remove that unfairness.

We've set out our approach to complaints about irresponsible and unaffordable lending as well as the key rules, regulations and what we consider to be good industry practice on our website. I've followed this approach when considering Mrs R's complaint.

Having done so, I don't consider NatWest made unfair lending decisions when providing Mrs R with these credit limits. I say this because:

- For the original overdraft limit NatWest has provided us with the information it obtained and took into account when making its lending decision. This included details of Mrs R's income and her regular non-discretionary expenditure, as well as completing a credit check to understand her existing credit commitments and her recent and historic management of credit.
- I consider these checks were proportionate to the terms of lending NatWest was providing; and given there was no information which I consider ought reasonably to have caused it concern, I consider NatWest fairly provided the original overdraft limit.
- NatWest took similar steps when increasing Mrs R's overdraft limit in 2018, roughly a year after the original limit was provided. I'm also aware that NatWest would've had Mrs R's management of the facility across the previous year to take into account.
- While Mrs R's existing commitments to credit had increased, Mrs R declared a higher income which essentially offset the increase in credit repayments. Mrs R's use of the facility across the previous year fluctuated, and I've not seen anything to persuade me that Mrs R's behaviours and management of the facility suggested she was experiencing financial difficulties. NatWest's affordability calculation showed the limit increase was affordable and could be repaid within a reasonable period of time. As such, I consider NatWest fairly provided this limit increase.

NatWest has said it reviewed the provision of the facility on an ongoing basis. Our service's general approach is that this ongoing monitoring should be conducted on at least an annual basis. As such, I've considered NatWest's decisions to continue to provide the facility in each November, starting in 2019 and up to the point of Mrs R's complaint. Having done so, I don't consider NatWest acted unfairly by continuing to provide the facility on the same terms. I say this because:

- I've seen NatWest identified Mrs R as a repeat overdraft user; and it took steps to engage with her on multiple occasions across 2020, 2021, 2022 and 2023 about her use. NatWest has said Mrs R didn't engage with any of these letters. While I don't consider Mrs R's lack of engagement removes the requirement on NatWest to take action when it identifies a problem; in the individual circumstances here I don't consider it was unreasonable that NatWest continued to provide the overdraft facility on the same terms.
- While Mrs R's use of the facility was largely persistent across the review years, her behaviours and management of the facility remained largely the same. She had money flowing through the account on a monthly basis, and I've not seen signs that I consider ought to have caused NatWest concern, like actual or potential financial difficulties. While there is persistent use, the utilisation of the limit did fluctuate, and there's no signs of the balance going above the approved limit, payments being returned due to insufficient funds, or other obvious evidence of other borrowing being obtained to support any potential financial difficulties.
- Based on testimony Mrs R has provided about her personal and financial situation, it does appear that she was, at least in part, running some business activity through this account. I say this based on the knowledge of Mrs R's business and the types of transactions debiting and crediting the account. This does have the effect of obscuring the state of Mrs R's personal financial situation. Our investigator asked

Mrs R to provide evidence of her personal finances; however, I note after several attempts to obtain this information it hasn't been received. So, based on the evidence available to me, I don't consider NatWest's decisions to continue to renew the overdraft facility on the same terms to have been unreasonable.

It therefore follows, for the reasons I've found above, I'm not persuaded that NatWest acted unfairly when providing Mrs R with the overdraft limits or the ongoing provision of the facility.

I've gone on to consider if NatWest has acted unfairly in any other way during this relationship. As set out above I've seen NatWest engaged with Mrs R about repeat use of the facility, in line with its regulatory responsibilities. I haven't seen any other information up to the point of Mrs R's complaint which leads me to conclude NatWest acted unfairly in any other way in relation to this credit agreement.

I acknowledge my decision will likely be disappointing to Mrs R; but for the reasons set out above it follows that I'm not directing NatWest to take any further action. I would, however, remind NatWest of its obligations in treating Mrs R fairly and sympathetically in its engagement with her, given its knowledge of her current financial situation.

My final decision

My final decision is that I don't uphold Mrs R's complaint about National Westminster Bank Public Limited Company.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 17 March 2026.

Richard Turner
Ombudsman