

The complaint

Miss M complains that National Westminster Bank plc ('Nat West') acted irresponsibly in the way it provided her with an overdraft facility of £500 in May 2023 and then went on to increase the overdraft limit in June 2024 to £5,000.

What happened

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my 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 explained how we handle complaints about unaffordable and irresponsible lending on our website. And I've used this approach to help me decide Miss M's complaint.

Having considered everything, I'm not upholding Miss M's complaint. I'll explain my reasoning below:

- I think the checks NatWest used when agreeing to the initial overdraft in May 2023 were reasonable and proportionate, given the overdraft limit being granted and what it knew about Miss M's financial circumstances.
- I don't have full details of what the checks NatWest carried out before agreeing the overdraft increase actually showed. This was a substantial increase and so I would expect NatWest to take steps to establish that Miss M would be able to afford to repay the increased overdraft on a sustainable basis. Given that we haven't seen the credit check results NatWest relied on, I can't say for sure that the checks were reasonable and proportionate. There was, however, no suggestion of financial difficulties from the credit file we've seen.
- I've considered Miss M's current account statements in order to get an idea of what NatWest was likely to have seen at the time of the overdraft increase, in June 2024. Having done so and having thought about what Miss M has told us about her financial circumstances, I've not seen enough to show or suggest that she might have been over-extending her borrowing capability with this increase.
- Finally, I've seen that NatWest wrote to Miss M in March 2025 to let her know that it would be closing her account following a recent review. Miss M then had 90 days to repay her overdraft. NatWest provided Miss M with support by applying a 'breathing space' to her account in July 2025 before a repayment plan was set up. I don't think NatWest acted unfairly here.
- I don't think NatWest acted unfairly in any other way.

- This all means I don't think NatWest did anything wrong when it provided the initial overdraft or the increase that followed.
- I've also thought carefully about what Miss M has said in response to our investigator's view, but it doesn't cause me to change my findings. I accept it's possible that Miss M's actual circumstances were more complex than might be suggested from the information NatWest obtained – or would likely have obtained had it carried out better checks. But what I've seen is enough to satisfy me that she had sufficient funds in her account to be able to sustainably repay the new overdraft increase.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think NatWest lent irresponsibly to Miss M or otherwise treated her unfairly. I haven't seen anything to suggest that s.140A or anything else would, given the facts of this complaint, lead to a different outcome here.

I know this isn't the outcome Miss M hoped for. But for the reasons I've given above, I'm not asking NatWest to do anything more.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 20 May 2026.

Michael Goldberg
Ombudsman