

The complaint

National Westminster Bank Public Limited Company (“NatWest”) provided Mrs B with the following credit cards:

Details	Date opened	Credit limit
Account ending 5724	November 2022	£5,850
Account ending 3501	April 2023	£6,250

Mrs B says the credit was provided irresponsibly.

Mrs B has also made other complaints to this service, but this decision focuses only on the credit card accounts referred to above.

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

I've decided that account ending 5724 was provided fairly.

- I don't think the checks NatWest did before providing the credit were reasonable and proportionate, because it didn't take any steps to verify Mrs B's income. But if NatWest had done proportionate checks, I don't think it's likely these would have shown it was unfair to provide the credit to Mrs B.
- The credit checks that NatWest performed showed existing debt of around £12,000 with one recent missed or late payment recorded.
- Mrs B's bank statements, in the three months directly preceding the application show an average net monthly income of around £1,700, in line with the salary she declared.
- There was nothing contained within Mrs B's bank statements to indicate financial difficulties, so having reviewed all the evidence, I am comfortable that NatWest made a fair lending decision, when providing account ending 5724.

However, that isn't the case for account ending 3501.

- I don't think the checks NatWest did before providing this credit card were reasonable and proportionate. Mrs B's total debt had increased to around £14,000 and this was a second credit card in a short period of time. Mrs B had also recently taken out a loan from NatWest.

- So I think NatWest should have performed an income and expenditure review to ensure the repayments were affordable and sustainable.
- I have again reviewed Mrs B's bank statements. Whilst her income had increased to around £1,900, her payments to service the increased debt and reasonable repayments for this credit card wouldn't have left her with a sufficient disposable income for unexpected living expenses or any discretionary spend.
- If NatWest had performed similar checks, it is likely that they would have found the repayments for this credit card to be unaffordable, as that is what I have found.

This means I don't think NatWest should have provided the credit card, account ending 3501.

I've considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, I'm satisfied the redress I'm awarding in this case, as set out below, results in fair compensation for Mrs B in the circumstances of this complaint. I'm therefore satisfied, based on what I've seen, that no additional award would be appropriate in this case.

Putting things right

As I don't think NatWest ought to have provided credit card account ending 3501, I don't think it's fair for it to be able to charge any interest or charges under the credit agreement. But I think Mrs B should pay back the amounts she has borrowed.

It is my understanding that this was a balance transfer account and no interest has been charged, but for completeness National Westminster Bank Public Limited Company, should:

Add up the total repayments Mrs B has made and deduct these from the total amount of money she received.

a) If this results in Mrs B having paid more than she has received, any overpayments should be refunded along with 8% simple interest per year* (calculated from the date the overpayments were made until the date of settlement).

National Westminster Bank Public Limited Company should also remove all adverse information regarding this account from Mrs B's credit file.

b) Or, if any capital balance remains outstanding, then National Westminster Bank Public Limited Company should arrange an affordable and suitable payment plan with Mrs B. Once Mrs B has cleared the balance, any adverse information in relation to the account should be removed from her credit file.

* HM Revenue & Customs requires National Westminster Bank Public Limited Company to take off tax from this interest.

National Westminster Bank Public Limited Company must give Mrs B a certificate showing how much tax it's taken off if she asks for one.

My final decision

My final decision is that I'm upholding this complaint and National Westminster Bank Public Limited Company, must put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 13 April 2026.

David Barker
Ombudsman