

The complaint

Mr A complains that National Westminster Bank Public Limited Company (NatWest) acted irresponsibly when they agreed to lend to him.

What happened

In July 2022, Mr A successfully applied for a credit card with NatWest for £8,300. Mr A doesn't think that NatWest conducted proportionate checks or that the resulting decision to lend was fair. He says that he was banking with NatWest at the time, so they should have known he had limited disposable income and signs of financial difficulty. After receiving the card, Mr A says he was only able to make minimum repayments, and his balance didn't reduce while interest kept accumulating. He says this caused him anxiety.

Mr A raised a complaint with NatWest in November 2025. NatWest say that they carried out proportionate checks and the resulting decision to lend was fair. They confirmed there were no credit limit increases.

Mr A wasn't happy with NatWest's response and referred his complaint to us. Our investigator said they thought NatWest gathered a reasonable amount of evidence and information and didn't think that NatWest acted unfairly.

NatWest didn't dispute this position, but Mr A did. In summary, he says his primary bank account was with NatWest and they had full visibility of his situation, including loans he obtained from them in 2023 and 2024 for a total of £65,000. He also says that there were some non-regular incoming payments into his account at the time and payments from family, so the income figure taken into account was not sustainable. He also had a returned payment a few months prior to the lending, and occasional low balances evident on the account. He says the estimates NatWest used for his expenditure were inaccurate.

Ultimately a resolution wasn't made, so the case 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.

While Mr A has provided detailed evidence of his complaint, and I've considered all the available information, I've not reflected every point that has been raised. No discourtesy is intended here, this is merely to reflect my informal role in deciding a fair and reasonable outcome. So, I've focused on what I think are the key issues of the complaint. If there is something I haven't mentioned, it isn't because I've ignored it.

I've considered what both parties have said about Mr A's lending with NatWest. Having carefully considered everything, I think that NatWest acted fairly and reasonably.

The relevant rules, regulations, and guidance at the time of NatWest's lending decision required them to carry out proportionate checks. While there isn't a defined list of checks a

lender needs to carry out, such checks should be proportionate, considering things like the type, amount, duration and total cost of the credit, as well as the borrower's individual circumstances. These checks needed to assess Mr A's ability to afford the credit being approved and to be able to repay it sustainably, without causing him financial difficulties or harm.

It isn't sufficient for NatWest to just complete proportionate checks, they must also consider the information obtained from these checks to make fair lending decisions. I've considered the checks NatWest did and what they found from these checks.

In his application Mr A declared he had a net monthly income of £2,300, which was verified as accurate using current account turnover (CATO). Mr A declared he was married with no dependents and was a homeowner. NatWest reviewed Credit Reference Agency (CRA) data, which showed there was no recent adverse information on Mr A's credit file, such as County Court Judgments. CRA data also showed that Mr A had existing external lending of around £15,700 at the time.

As this application was made online, it was subject to NatWest's Credit Decisioning System (CDS) which considers things such as external lending commitments, credit utilisation, payment history and spending behaviour leading up to the application. NatWest confirmed the credit would only be granted if Mr A passed these checks. NatWest used CRA data and information from the Office for National Statistics (ONS) to find that Mr A had monthly expenses of £740 for living costs, £373 for housing, and existing credit commitments of around £470. This left around £717 in monthly disposable income.

Although Mr A's main bank account was with NatWest, I don't think there was anything which required NatWest to manually review the information in Mr A's bank statements or make further checks. I think that it's reasonable that NatWest relied on the declared income which was verified as accurate using CATO. Similarly, I think that it was fair that they utilised a combination of declared expenses and ONS data here. I think that the checks which NatWest carried out before lending were reasonable and proportionate to satisfy themselves that Mr A would be able to sustainably repay the borrowing.

The credit card also had a promotional interest rate on purchases for the first three months, and on balance transfers which gave 0% interest for 22 months. So, there was an opportunity to put Mr A into a better position in relation to some existing credit if this was taken up. Taking all of the circumstances into account, including the level of disposable income, Mr A's credit file information and the promotional offer on the account, I think NatWest's decision to lend was fair.

It is also noted that NatWest is required to exercise forbearance and due consideration in line with their regulatory obligations. There's no fixed method by which this is to be achieved and as the circumstances of each individual borrower is different, a business needs to tailor their actions to take account of the customer's needs. I've considered how NatWest acted once they found out about Mr A's financial difficulties and if there's anything that should have prompted them to take action earlier. Contact notes show that Mr A did not reach out to NatWest about his financial situation prior to his complaint.

In April 2025, NatWest reached out to Mr A as he had fallen behind with payments and was overlimit. As Mr A continued not to make payments, he was sent a default notice in July 2025 and the card was cancelled. The account was terminated the following month and by September 2025 the debt had been passed on to a collection agency. I think that NatWest acted with forbearance once they found Mr A was missing payments in April 2025.

I don't think there was anything prior to this that ought to have flagged that Mr A was in

financial difficulty. Mr A's credit card statements show that within the first month of being granted the facility, he used a promotional balance transfer offer to transfer over £7,500 into the account. There was no interest on the account until after this promotion ended in May 2024. While he only paid the minimum amount during this time, the account balance consistently decreased. By July 2024, Mr A had made payments to completely clear the balance on the account. The statements show he continued to make minimum payments until a payment was missed in April 2025, when NatWest reached out to him.

While I would expect NatWest to continue to act with forbearance once learning of Mr A's financial situation, I don't think that there was enough prior to this that ought to have prompted NatWest to take further action in this regard.

In reaching my conclusion, I've also considered whether the lending relationship between Mr A and NatWest might have been unfair to Mr A under Section 140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that NatWest did not lend irresponsibly when providing Mr A with the credit account or otherwise treat him unfairly in relation to this matter. And I haven't seen anything to suggest that Section 140A CCA would, given the facts of this complaint, lead to a different outcome here.

My final decision

For the reasons given above, I do not uphold this complaint against National Westminster Bank Public Limited Company.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 18 May 2026.

Frances Kerslake
Ombudsman