

## **The complaint**

Miss P complains that Nationwide Building Society irresponsibly lent to her.

## **What happened**

Miss P was approved for a Nationwide credit card in December 2023, with a £3,000 credit limit. Miss P says this was irresponsibly lent to her, especially due to her age. Miss P made a complaint to Nationwide, who did not uphold her complaint. Nationwide said that based on Miss P's affordability and credit score, it would have been unfair for them to decline the application based on her age. Miss P brought her complaint to our service.

Our investigator did not uphold Miss P's complaint. She said she didn't think Nationwide acted unfairly when approving the credit card with a £3,000 credit limit. Miss P asked for an ombudsman to review her complaint. She made a number of points. In summary, she said that she was already relying on borrowing, and Nationwide had just increased her overdraft to £5,000. She said she was relying on her overdraft, and the Credit Reference Agency (CRA) data didn't reflect the real time data that Nationwide already had.

Miss P said that as the overdraft was approved in the same month as the credit card, it wasn't proportionate for someone her age at the time of lending, as she was vulnerable and inexperienced. She said the long-term lending contributed to her entering a Debt Management Plan (DMP), and it damaged her credit file, therefore she wanted the balance to be written off and her credit file to be amended.

## **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.

Firstly, I'm aware that I've only summarised Miss P's complaint points. And I'm not going to respond to every single point made by her. No discourtesy is intended by this. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

I'm aware that Miss P has made another irresponsible lending complaint with Nationwide about an overdraft she holds/held with them. I want to be clear to her that this decision will solely focus on her irresponsible lending complaint for her credit card. She should expect a separate response on her other complaint, when there are any updates for this, if she hasn't had a decision on the complaint already.

Before agreeing to approve the credit for Miss P, Nationwide needed to make proportionate checks to determine whether the lending was affordable and sustainable for her. There's no prescribed list of checks a lender should make. But the kind of things I expect lenders to consider include - but are not limited to: the type and amount of credit, the borrower's income and credit history, the amount and frequency of repayments, as well as the consumer's personal circumstances.

I've looked at what checks Nationwide said they did when initially approving Miss P's application. Nationwide said they looked at details Miss P gave them as part of her application, and details from a CRA.

The application data showed that Miss P declared a gross annual salary of £35,000. The checks from the CRA that Nationwide had, dated on 1 December 2023 (when the account started) showed no County Court Judgements (CCJ's), defaults, or any accounts on a repayment plan.

The CRA also reported that Miss P had £0 unsecured debt. So while Nationwide may have just increased her arranged overdraft to £5,000, at the time the CRA reported Miss P's unsecured debt, there was no debt being used. Miss P's bank statements also show that on the date she was approved for the account that she was not overdrawn.

But I can't see that Nationwide completed an affordability assessment for Miss P. While Nationwide had access to Miss P's bank statements, it would not always be proportionate for a manual check to be completed, and the regulator does not insist that this should happen for every lending decision, as this wouldn't be proportionate. If an affordability assessment is needed, it is typically industry standard to use information from the CRA's (such as the monthly credit commitments), and modelling (to estimate other outgoings).

But I can't see that Nationwide did either here, therefore based on the £3,000 credit limit being approved shortly after the £5,000 increased overdraft limit, I'm persuaded that Nationwide should have made further checks here. I'm not persuaded that Miss P's age alone at the time should have resulted in further checks, as it could be discriminatory for them to treat people of Miss P's age differently to other age ranges. And I can't fairly say that every person of Miss P's age when she applied for the credit card would be vulnerable.

There's no set way of how Nationwide should have made further proportionate checks. One of the things they could have done was to contact Miss P to get an understanding of her outgoings at the time of the checks. Or they could have used Miss P's bank statements as part of a proportionate check to ensure the lending was sustainable and affordable for her.

I've viewed Miss P's transactions for the three months leading up to the credit card being opened. At times Miss P enters an arranged overdraft. But using an arranged overdraft in its own right does not automatically equate to Miss P being unable to afford sustainable repayments for a £3,000 credit limit. I say this as some people prefer to use disposable income on non-priority spending as opposed to reducing an overdraft limit. And Miss P was not utilising her available overdraft on the day the credit card was opened.

Miss P's bank statements show that she makes three figure payments collectively on non-priority lending. So it would appear that Miss P had the affordability after her priority bills were paid in order to afford sustainable repayments for a £3,000 credit limit. So I'm satisfied that Nationwide made a fair lending decision in approving the £3,000 credit limit for Miss P.

I'm sorry to hear that Miss P later went on to have a DMP, and her credit file was affected. But I can't fairly say that would be foreseeable to Nationwide at the time of the checks for this lending decision, especially as Miss P had no unsecured debt being reported by the CRA's at the time of the checks, no overdraft usage (even if she had recently increased the overdraft), no adverse credit showing, and a large disposable income after her priority bills had been paid.

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 Nationwide lent irresponsibly to Miss P or otherwise treated her unfairly in relation to this

matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here. So it follows I don't require Nationwide to do anything further.

**My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 19 May 2026.

Gregory Sloanes  
**Ombudsman**