

## The complaint

Mr B complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (NatWest) lent to him irresponsibly when they provided him with a credit card in 2023.

## What happened

In September 2023, Mr B was provided with a credit card with a limit of £10,000. There were no increases to the card's limit.

In 2025, Mr B complained. In summary, he said NatWest had irresponsibly lent to him and that sufficient checks – to ensure his affordability status – hadn't been undertaken.

NatWest didn't uphold the complaint. They said, in summary, that they had carried out checks proportionate to the amount being lent; those checks hadn't revealed any concerns, and on that basis, the credit card had been provided. So, they were satisfied they had lent responsibly.

Mr B disagreed, he still thought that NatWest were wrong to have lent to him. So, he referred his complaint to this Service for independent review.

An Investigator here considered what had happened; having done so, he didn't think NatWest had done anything wrong. In short, the Investigator said:

- The checks carried out by NatWest were proportionate in the circumstances.
- The information gathered as a result of those checks wouldn't have given NatWest any cause for concern. And there was nothing that would have suggested to NatWest that Mr B was struggling financially and/or wouldn't be able to afford the repayments towards the card.
- Any financial struggles, which did materialise for Mr B later, wouldn't have been apparent to NatWest at the time they provided Mr B with the credit card.
- Overall, with that in mind, NatWest hadn't acted unfairly or unreasonably in providing this credit to Mr B.

Mr B disagreed; he maintained that he'd been irresponsibly lent to by NatWest and made several arguments in response, which mostly centred around what he claimed to be high levels of existing adverse credit, and clear signs of financial difficulty, that he says should have been apparent to NatWest at the time they lent to him. He also said that a precedent had been set on decisions issued on other cases with our service, where we found that his existing credit commitments pointed to him being overcommitted.

So, as no agreement has been reached, Mr B's complaint has now 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.

Having done so, while this will no doubt disappoint Mr B, I agree with the findings of our Investigator for broadly the same reasons. I'll explain why.

Mr B has set out his position at some length, and I'd like to pass on my thanks to him for the level of detail he went into in providing this information, but I've not commented on each and every point raised. Instead, I've focussed on what I consider to be the crux of the matter. I hope Mr B won't take that as a discourtesy, but our role is to be an informal service and my approach here is simply to align with that purpose.

The rules and regulations in place at the time Mr B was provided with the credit, required NatWest to carry out reasonable and proportionate checks. That's to determine whether he could afford to repay what he owed in a sustainable manner. This practice is sometimes referred to as an 'affordability assessment' or 'affordability check'.

The checks had to be borrower focussed; that is, relevant to Mr B. So, NatWest had to think about whether repaying the credit sustainably would cause him difficulties, or other adverse consequences. In other words, NatWest had to consider the impact of any repayments on Mr B.

Checks also had to be 'proportionate' to the specific circumstances of the lending. In general, what constitutes a proportionate affordability check will be dependent on a number of factors including – but not limited to – the particular circumstances of the consumer (e.g: their financial history, current situation and outlook, any indications of vulnerability or financial difficulty) and the amount/type/cost of credit they were seeking. I've kept all of this in mind when thinking about whether NatWest did what they needed to before agreeing to lend to Mr B.

Here, before agreeing to lend, NatWest checked data recorded with Credit Reference Agencies ("CRAs"); they relied upon information provided by Mr B in his application, and they carried out an affordability assessment. I've been provided the results of NatWest's checks, and, in my view, the data they gathered didn't suggest that there was any real cause for concern.

Rather, information obtained from CRAs didn't show any recent defaults or County Court Judgments ("CCJs"); nor was Mr B subject to an Individual Voluntary Arrangement ("IVA"). Mr B's existing credit - based on what NatWest located from their credit checks - and, taking into account NatWest's explanation of the figures quoted within, seems to show no adverse information present at the time NatWest lent to Mr B, and shows his credit repayments to be generally well managed.

At the time of Mr B's application, NatWest took testimony from Mr B as to his monthly housing costs, which he declared as £255 a month. NatWest then increased this to £290 to build in a buffer. They also recorded that Mr B owed around £270 a month on existing loan repayments and had monthly repayments totalling approximately £1,290 towards revolving credit.

NatWest documented that Mr B was earning around £4,355 a month, based on his declaration, and they took steps to verify this using a credit reference agency affordability tool. They also took further steps to calculate Mr B's outgoings, using data they obtained

from the 'Office of National Statistics' (ONS) to estimate his non-discretionary spending, to cover items such as food, clothing and utilities, which came out at £1,249 a month.

Based on the information they obtained, NatWest concluded that Mr B had sufficient disposable income of around £1,250 a month, that he could access in order to maintain his repayments due, towards the new card being provided. And there was nothing else to suggest to NatWest that Mr B wouldn't be able to sustainably repay the credit provided here.

Keeping in mind the monthly repayments required to clear the balance of the credit card provided (if Mr B utilised the full credit limit); and, given that neither the CRA data, nor application or affordability data, raised any immediate concerns; I think the checks undertaken by NatWest before lending to Mr B were proportionate, and the information they gathered suggested that the credit card would likely be affordable for him. So, I wouldn't have expected NatWest's checks to go any further in the circumstances.

Mr B, in response to the investigator's findings, argued that it should've been clear to NatWest that he was in a poor financial position in relation to his existing credit - which included missed payments to a number of lenders, as well as several cash withdrawals on credit cards, which he says points to signs of financial difficulty. And he's provided some evidence showing the communications he'd received from other creditors in relation to these late payments. He's also said that our service had concluded that lower amounts of lending shouldn't have been provided on other cases brought to our service, which he feels sets a precedent.

Looking at Mr B's first argument, while I don't doubt what Mr B has told our service, the evidence provided doesn't necessarily demonstrate that these late payments would have fed through to his credit file, as it's unclear how late the payments were and what actions Mr B took in relation to the repayment reminders. It may indeed be the case Mr B was in a worse financial position than NatWest had concluded at the time of the lending decision - Mr B has said as much in his response to the view. He strongly believes NatWest should have discovered more from their checks.

But, even if I thought the same, I can't hold NatWest responsible for what information was returned to them. NatWest can legitimately rely upon the results of their checks. And they should decide whether or not to take further steps dependant on what can be learnt from the data returned to them. But they aren't in control of the CRA data itself. That comes down to individual CRAs, and how often information is updated by relevant lenders. And given what NatWest's checks revealed, I'm satisfied they were entitled to rely on that information, which generally portrayed a picture of well managed credit, and doesn't evidence the missed payments or cash withdrawals Mr B mentioned.

I appreciate Mr B has made reference to other complaints brought to our service that have been upheld, and has said how he feels they set a precedent for why this complaint should be upheld also. But while I understand the point Mr B has made, each case is considered on its own merits, and any assessments as to the proportionality of a lender's checks would be based on the lending provided, and Mr B's wider circumstances at the time, along with what each lenders checks revealed. So just because Mr B may have had a similar case upheld, it doesn't mean that another case brought to our service around the same time necessarily would be. So, while I understand the argument Mr B has made here, it doesn't lead me to conclude that I should overturn my findings in the circumstances.

Mr B has also said that NatWest made a significant financial investment into another financial services provider, with whom he holds accounts. He thinks that given the size of their investment, NatWest should have had access to further personal information regarding Mr B and his credit worthiness.

But simply because one business might make a financial investment into another, it doesn't necessarily follow that they would have access to all of that business's records, nor would I expect it to. I haven't seen anything in this case that leads me to conclude that NatWest would have been aware of any further personal details regarding Mr B, as a result of their financial investment in another business, that should have been taken into account as part of their lending assessment.

Mr B has also highlighted that his overall debt to income position (DTI) was high, and that this should have been a sign to NatWest that he was struggling to manage his finances. Mr B is not wrong that a high DTI position might be a sign of someone that is struggling. And I would expect a customer's DTI position to be one of the possible considerations made, at the time a business decides to lend. But a high DTI position, in and of itself, isn't always a sign of financial difficulty, and should be taken into account alongside the remainder of the results returned from any proportionate checks completed by a business.

In this case, NatWest took steps to verify Mr B's income, and the results of those checks confirmed strong monthly earnings. And the income and expenditure check NatWest completed, showed Mr B to have a significant disposable income. The credit checks NatWest completed didn't show any signs – aside from the DTI position mentioned - that Mr B was struggling to maintain his repayments to other creditors. And the missed payments on existing credit Mr B referred to, don't seem to be evident from the result of the checks completed by NatWest, and neither do the cash withdrawals from his credit cards.

So, when taken the above into account, along with everything else NatWest uncovered from their checks, I'm not persuaded in the circumstances, that NatWest's checks needed to go further. And I think it was reasonable for them to conclude that the card was affordable for Mr B, based on the results of their proportionate checks. And there was nothing else to suggest that he would be able to sustainably maintain any repayments due under the credit agreement. And, as I've set out above, I can't reasonably hold NatWest responsible, for not taking into account information they weren't privy to.

Mr B has also highlighted to our service some personal difficulties that he has struggled with, albeit he accepts these weren't shared with NatWest prior to their lending decision. Given this wasn't disclosed to NatWest, I wouldn't have expected NatWest to have made any alterations to their lending assessment. But, if this is something Mr B is still struggling with, I would encourage him to share this information with NatWest, to see if any further support can be provided.

Mr B has also said that NatWest failed to support him during a period of financial difficulty. From the evidence provided, I can see that NatWest initially agreed to a payment break in early 2025 after Mr B made them aware of some difficulties he was experiencing. And they also signposted him to some organisations that could provide support. Shortly after Mr B spoke with NatWest again, as he was still struggling, he advised them that matters should be improving within a couple of months, following which, NatWest agreed a further two-month hold, whereby Mr B would pay just £10 a month for two months, and he could resume payments in September 2025.

Despite the above short-term plan, Mr B was unable to maintain these payments, and in late 2025, an income and expenditure assessment was completed by NatWest. Having assessed Mr B's disposable income, NatWest agreed to a further repayment plan to help clear some of the arrears that had built.

Mr B has said that the amount agreed wasn't affordable, and that he only agreed to it to avoid his account defaulting. I'm sorry to hear that Mr B felt this level of pressure to agree to

the plan. But, from what I've seen, the plan was agreed after NatWest concluded that Mr B had sufficient disposable income to be able to maintain it. So, as the investigator has advised, if Mr B feels the income and expenditure assessment hasn't taken into account other essential spending, then he should speak with NatWest to see if another plan can be agreed, based on a potentially revised assessment.

I'm sorry to disappoint Mr B, I know this won't be the outcome that he's hoping for, and I certainly don't mean to downplay the impact he's said this matter has had on him. But it's for the reasons I've explained that I don't think NatWest acted unfairly or unreasonably when they provided him with this card. So, it follows that I'm not upholding this complaint.

Separately, whilst I'm not upholding the complaint, I do want to remind NatWest of their obligations to exercise forbearance moving forward. I would certainly encourage Mr B to keep in regular contact with NatWest about any difficulties he's now facing in maintaining any outstanding repayments that may be owed.

Finally, I've also considered whether the relationship might have been unfair under Section 140A (S140A) of the Consumer Credit Act 1974s. However, for the reasons I've already given, I don't think NatWest irresponsibly lent to Mr B or otherwise treated him unfairly in relation to this matter. I haven't seen anything to suggest that S140A would, given the facts of this complaint, lead to a different outcome here.

### **My final decision**

My final decision is that I do not uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 21 May 2026.

Brad McIlquham  
**Ombudsman**