

The complaint

NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY ('NatWest') provided Mrs A with a £25,000 loan in August 2023. Mrs A says the credit was provided irresponsibly.

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.

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

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 A's case.

I've decided the credit was provided fairly because:

- I don't think the checks NatWest did before providing the credit were reasonable and proportionate given the credit it offered and what it knew about Mrs A's financial situation. This was a substantial loan with high repayments and there were discrepancies in the declared expenses compared to those shown in the other data available to NatWest. NatWest had access to Mrs A's account statements, and I think further checks of her income and expenses should have taken place.
- 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 A. NatWest had access to Mrs A's main account and verified her income. Mrs A has said that she stopped working around the time of the loan application, but I cannot see she made NatWest aware of this, and I find it reasonable it relied on her income declaration supported by the account verification. Mrs A has disputed the income figures used but having looked through her accounts and including the amounts noted as income or which she has said were income receipts, I find these support the £2,400 income figure used.
- Mrs A's credit check didn't show any defaulted accounts or county court judgements and she didn't appear overindebted. Mrs A had recently taken out a mortgage and has said her husband contributed to the costs. Her account statements for the months after this application suggest Mrs A's husband generally contributed the full amount of the mortgage to her account. However, I have included half the mortgage costs in the affordability calculation. Deducting these and Mrs A's credit commitments and amounts for other regular costs doesn't suggest that the NatWest loan repayments would be unaffordable.

- Based on the information Mrs A has provided about her circumstances at the time, there was nothing to suggest Mrs A was likely to be unable to sustainably repay what she was being lent.
- I don't think NatWest acted unfairly in any other way.

This means I don't think NatWest did anything wrong when it provided the loan to Mrs A.

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 Mrs A 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 Mrs A hoped for. But for the reasons above, I'm not asking NatWest to do anything to put things right.

My final decision

My final decision is that I'm not upholding this complaint about NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 11 May 2026.

Jane Archer
Ombudsman