

The complaint

National Westminster Bank Plc provided Ms B with a loan in July 2020. It was for £8,000 over 60 months with a monthly repayment of £168.30. Ms B says the loan 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 Ms B'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 Ms B's case.

I've decided the loan was provided fairly because:

- I don't think the checks NatWest did before providing the loan were reasonable and proportionate given the loan term and what it knew about Ms B's financial situation.
- However, 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 Ms B.
- Based on the information Ms B has provided about her circumstances at the time, there was nothing to suggest she was likely to be unable to sustainably repay what she was being lent. Reviewing her bank statements for the three months prior to her loan application show Ms B's income, housing/fixed living costs and credit commitments were broadly in line with NatWest's affordability assessment leaving her with £646 monthly disposable income.
- Ms B says that as NatWest was aware she was persistently reliant on her overdraft it was wrong to lend to her. And she says she didn't intend to settle that debt with this loan, it was for a car. But the bank's application records from the time show she selected that the loan purpose was consolidation when she applied online. As she didn't have a history of applying for loans to consolidate debt and then failing to do so, and the loan was affordable on a pounds and pence basis, it was reasonable for NatWest to rely on Ms B's stated purpose. This loan would allow her to repay her overdraft in full.
- 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 Ms B.

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 Ms B 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 Ms B 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 Plc.

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

Rebecca Connelley
Ombudsman