

complaint

Mr I complains that National Westminster Bank Plc (NatWest) irresponsibly lent money to him in October 2015.

background

Mr I took out a NatWest loan online for £1500 on 15 October 2015. He then took out a further loan for £1000 on 19 October 2015. He says at the time he was suffering from various difficulties and gambling heavily. Mr I says NatWest shouldn't have lent to him in those circumstances, and it was obvious from looking at his account that the majority of transactions were for online gambling.

NatWest doesn't accept lending irresponsibly. It says Mr I applied for the two loans online and passed its affordability checks. It says it hadn't been made aware of any medical or behavioural problems that Mr I suffered from.

Mr I complained to us and our adjudicator didn't uphold the complaint. She thought NatWest had carried out appropriate checks before lending and it was up to Mr I how he spent his money. Our Adjudicator didn't think NatWest had responded to Mr I's letter of complaint and recommended NatWest pay compensation of £100 for the inconvenience that would've caused Mr I.

NatWest has agreed to pay that compensation.

Mr I doesn't accept that view. He says NatWest should've looked at his account before he took out the first loan and then checked what he was spending his money on before lending a second time. He doesn't accept the offer of compensation for the failure to reply to his complaint. He would like the loan written off.

my findings

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, I've come to the same overall conclusions as the adjudicator. I realise Mr I will be disappointed by my view.

I'm satisfied that NatWest was unaware at the time, the loans were taken out, that Mr I had any medical or behavioural problems. Mr I accepts he'd not told NatWest about those issues before the lending. I'm also satisfied that NatWest carried out appropriate affordability and credit checks before lending.

I've looked at Mr I's account during September 2015 to October 2015 and can see the account was mostly in credit. I can also see a number of transactions of relatively low amounts. I don't think it would've been clear that these were gambling transactions without further checks. And I don't think it's for NatWest to monitor or check spending to that degree. I also agree with the adjudicator, it's normally up to customers how they spend their money. In those circumstances I don't think NatWest acted irresponsibly by lending to Mr I or should write the loans off.

NatWest should've responded to Mr I's complaint and accepts it didn't. I think the compensation offered by NatWest of £100 to be fair and reasonable and reflects the level of

inconvenience caused to Mr I. I accept Mr I may not wish to accept that offer and I leave that for him to decide.

my final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 10 May 2017.

David Singh
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