

## **The complaint**

Miss F, through a representative, says Nationwide Building Society irresponsibly lent to her.

## **What happened**

Miss F took out a £10,000 loan over 60 months from Nationwide on 8 June 2022. The monthly repayments were £179.07 and the total repayable was £10,744.20.

Miss F said Nationwide did not consider the affordability when giving her the loan. She lost all the funds as part of a romance scam. Her representative also explained Miss F had learning difficulties that prevent her from making financial decisions independently and Nationwide didn't take into account her vulnerabilities.

Nationwide said all appropriate checks were carried out prior to lending, and it was only notified of Miss F's learning difficulties when she raised a fraud claim in December 2022.

Our investigator did not uphold Miss F's complaint. He said Nationwide completed adequate checks which did not show that Miss F would be unable to sustainably repay the loan. And whilst Nationwide knew Miss F was hard of hearing, it had not been told about her learning difficulties when she applied for this loan.

Miss F disagreed with this assessment and asked for an ombudsman's review. Her representative said she should have had someone with her before signing the loan agreement. Nationwide ought to have taken into account her vulnerabilities as she had always needed support – and it had assured Miss F's representative it would give Miss F special help.

## **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.

We've set out our approach to considering unaffordable and irresponsible lending complaints on our website including the key relevant rules, guidance and good industry practice. I've had this approach in mind when considering Miss F's complaint.

Nationwide needed to take reasonable and proportionate steps to ensure that it didn't lend to Miss F irresponsibly. This means it should've carried out reasonable and proportionate checks to satisfy itself that Miss F could repay the loan in a sustainable way. These checks could take into account a number of things such as the loan amount, the repayment amount and Miss F's income and expenditure.

This means to decide this complaint I need to consider if Nationwide's checks were proportionate; if so, did it make a fair lending decision; if not, what would proportionate checks most likely have shown; and finally, did Nationwide act unfairly towards Miss F in some other way.

I've looked at the checks Nationwide carried out. Miss F declared three sources of income. As the third source could not be verified as ongoing Nationwide excluded it from its assessment and concluded her monthly income was £918. I cannot see it was on notice, or ought to have known, that she was on probation at work. It used national statistics to estimate her monthly expenses and council tax. It carried out a credit check to understand her existing credit commitments (£10 a month) and credit history. There was no adverse data. It asked about the purpose of the loan which was home improvements.

From all its checks combined it concluded Miss F had £370.32 disposable income each month and so could afford this loan.

I think these checks were proportionate and that Nationwide made a fair decision based on the results. I note Nationwide also had access to Miss F's current account statements as it provided that account to her. It has shared these and they support its conclusion that the loan was affordable.

It follows I don't think Nationwide was wrong to lend to Miss F. I am very sorry she lost the proceeds of the loan through a cruel scam and hope she now has the support she needs. I would remind Nationwide to treat Miss F sympathetically, and if relevant with forbearance, as it agrees a way for her to repay the outstanding loan balance.

I have then considered whether Nationwide treated Miss F unfairly in some other way. I don't think it did. Her representative disputes that Nationwide properly considered her vulnerabilities. But I have seen no certain evidence it was on notice of her learning difficulties before the fraud claim that was made in December 2022. I can see that when Nationwide asked for proof of income for the loan application Miss F told it she was deaf and asked to communicate via email. There is no record though that it was also informed of her learning difficulties at this point. So I cannot fairly find Nationwide failed to respond to any needs it was aware of.

### **My final decision**

I am not upholding Miss F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 10 January 2024.

Rebecca Connelley  
**Ombudsman**