

The complaint

In summary, Mr S complains that Nationwide Building Society hasn't correctly calculated – or clearly explained how it calculated – the interest for his savings account.

What happened

The background to this complaint is well-known to both parties, so I'm not going to set it out in any great detail here. Instead, I've focused on what I think are the key issues.

Mr S holds a savings account with Nationwide. In 2021, for the purposes of his tax return, he queried Nationwide's calculation of interest.

Nationwide replied on 1 November 2021. It said, in brief, that it had checked the interest payments made to Mr S' account and was satisfied that everything was correct. Further, Nationwide explained that it uses a computerised method for interest calculations. It said it had enclosed a leaflet to explain this in more detail, and it had also included a breakdown of the calculations completed for Mr S' account.

Mr S replied on 6 November with some further questions. He also highlighted that Nationwide hadn't, in fact, provided a copy of the leaflet it said it had.

Nationwide replied on 21 November 2021. It had treated Mr S' last correspondence as a complaint, and this letter was its final response. In it, Nationwide said it remained satisfied that its calculations were correct.

Several further letters were exchanged between Mr S and Nationwide. To summarise the contents:

- Nationwide reviewed its final response and paid Mr S £25 in compensation for not responding to all of his initial points. It also provided the leaflet with information on how interest is calculated.
- Mr S maintained his view that he hadn't received the level of explanation he was looking for around how interest was calculated.
- Mr S wasn't happy at being directed to use other communication channels, given his preference to correspond by letter.

While that was ongoing, Mr S had also contacted this Service – in April 2022 – about the matter.

An Investigator here looked at what had happened and, in November 2022, he came to the view that Nationwide hadn't done something wrong. In short, the Investigator said that he was satisfied an error hadn't been made in any interest calculation and that £25 in compensation was reasonable.

Mr S didn't accept the Investigator's findings.

In 2023, another Investigator here reviewed things. She wrote to Mr S on 24 October 2023, setting out that she too didn't think Nationwide had done something wrong. Briefly, she said that it wasn't the role of this Service to determine whether Nationwide's calculations were correct or not. Moreover, she said that Nationwide had provided the necessary information for Mr S to see how it had calculated the interest on his savings account. Mr S still disagreed.

I issued a provisional decision on 1 December 2023. I said:

"...It's clear that Mr S isn't happy with Nationwide's calculations, or explanation, around the interest applied to his account. He's questioned the figures and the method several times and not received a reply to his liking.

That, of course, will be frustrating for him – but even so, I don't think there's much more (if anything) that I can compel Nationwide to do in this regard.

I say that because Nationwide has already provided information on, and specific calculations for, the interest associated with Mr S' account. It's said it has nothing further to add on the matter and, knowing what it's already provided Mr S, I've no reason to think otherwise. I wouldn't reasonably expect Nationwide to keep returning to this point if it's already offered what it practically can.

It would be useful to explain that our role isn't to act as an auditing service, and we're not the regulator. Simply put, while I know Mr S is aware of this, it isn't for us to check the interest calculations under dispute here in detail. Nor can I force a business to change the way it operates, or reasonably require Nationwide to continue to engage with Mr S on this point, particularly if I'm satisfied – as I am here – that it's already provided a reasonable amount of information.

So, although I accept Mr S wants more specific detail, and that Nationwide's answer isn't as he'd like it, I don't think I can fairly require it take further action. Instead, as I've mentioned above, I consider it to have provided an appropriate level of information to explain and demonstrate how interest is calculated and/or projected for its savings accounts.

If Mr S still maintains that something is wrong, or even if he'd simply like a professional opinion, he could, for example, instruct an expert to review his statements and the calculations provided by Nationwide.

Aside from the above, there's no doubt that Nationwide could've provided a better level of service. Its responses didn't quite cover all of Mr S' points and, in my view, caused some unnecessary confusion.

Broadly, though, I think Nationwide has acknowledged that. It offered Mr S £25 in compensation for its failings in this regard and, in the circumstances, I think that's enough to recognise and compensate for the fact that things could've been better.

As I understand it, Nationwide sent Mr S a cheque for that compensation – which he's since cashed. So, it follows that I don't intend to require Nationwide to do anything further."

In response to my provisional decision, Nationwide said it didn't have anything further to add; Mr S referred me back to a point he'd made in one of his prior letters. Broadly, that point was

around Nationwide not providing a detailed enough explanation of how it has arrived at its interest amount.

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 I understand that Mr S will be disappointed, I haven't changed my view.

I'll be clear that I haven't reviewed the specific calculations; as I mentioned in my provisional decision, it isn't for the Service to perform an actuarial or accountancy function. Instead, what I must determine here is whether Nationwide has acted reasonably – and, overall, I think it has.

Broadly, Nationwide has shown that it applied the formula for interest calculation as detailed in the leaflet it sent to Mr S. It's also provided Mr S with what it practically can to explain how interest is calculated, and it's given him the specific calculations for his account. In my view, that's enough for Mr S to review the matter – which it's clear that he's done – and then, should he wish to do so, instruct an independent expert to evaluate things if he's not satisfied.

I certainly don't mean to diminish Mr S' concerns. It's completely understandable that he may have some questions about Nationwide's calculations for his account, or how its internal algorithm calculates interest in general. But I'll reiterate that this Service isn't the appropriate body to audit or analyse here. And as I said in my provisional decision, I wouldn't expect Nationwide to keep returning to this point if it's already provided Mr S with suitable information. Which, overall, I'm satisfied that it has.

As a final note, I will say that if Nationwide thinks it can add anything further to what it's already explained to Mr S – then I'd surely encourage it do so. But I don't consider it reasonable of me to *oblige* Nationwide to do anything more, given I'm satisfied it's already offered a tenable level of information.

My final decision

My final decision is that I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 7 February 2024.

Simon Louth

Ombudsman