

The complaint

Mrs S complains that Nationwide Building Society failed to close two jointly held savings accounts, and notified defaults to a credit reference agency to her detriment. Mrs S also complained about a breach of the data protection rules (GDPR).

What happened

In March 2023 Mrs S attempted to increase the credit limit on her Nationwide credit card, but this was declined. She checked her credit ratings and was dismayed to discover defaults showing from March 2019 with a Nationwide account. Mrs S said she realised this related to a joint current account she had previously held.

Mrs S said she had gone into Nationwide's branch in June 2016 with the other account holder and requested removal from the account along with linked savings accounts. She said Nationwide's records showed that she was removed from the current account in June 2016, but not the savings accounts. She asked Nationwide to investigate and said the savings accounts disappeared from her Nationwide app within 12 hours.

Mrs S asked Nationwide why it had taken seven years to close the savings accounts, and said she was told there had been a mistake. She also raised concerns about the handling of her personal data. She said the credit reference agencies couldn't amend her credit file until they were notified by Nationwide, which she asked it to do. But Nationwide said it had notified her removal from the account from June 2016, but hadn't adjusted all information. Mrs S called Nationwide to raise her concerns and requested to speak to a manager. She said she asked for call recordings due to how the call handler referred to her situation. She said she was told Nationwide had emailed the credit reference agency to have the default removed.

Mrs S complained and Nationwide offered £200 compensation for her inconvenience, but its cheque couldn't be paid in. Mrs S is pleased the defaults were removed but said Nationwide and the credit reference agency blame each other for the mistake. She said this has caused her worry and sleepless nights and she should be compensated for the time taken to close the accounts, leading to four years of bad credit. Nationwide apologised that her credit file wasn't updated correctly, but said this wasn't due to incorrect information it had sent as this was updated with the other two credit reference agencies it uses. It said it no longer held the notification from 2016, but is confident it requested the same updates for all three agencies.

Nationwide said there was no breach of GDPR from Mrs S's calls with its call centre. It said it hadn't provided any new information during calls, and used the information Mrs S had provided to try and establish the cause of the problem. Nationwide said it is required to complete the relevant data privacy compliance ahead of all home working by its staff including use of a headset whilst speaking to Mrs S and a protected screen.

Mrs S wasn't satisfied with Nationwide's response and referred her complaint to our service. Our investigator didn't recommend the complaint be upheld. He said Nationwide's agent didn't give Mrs S details of the account holder or account status not known to her already. He said Nationwide couldn't be sure why the accounts didn't close but thought it due to the

credit reference agency. In any event Nationwide offered compensation for the delay which he thought was fair and reasonable. He said the account balance can be paid to either party but should be issued in joint names, or to a nominated account agreed by both parties.

Mrs S disagreed with the investigator and requested an ombudsman review her complaint. She said she'd spent hours speaking to Nationwide and the credit reference agency trying to resolve the issues. She said her husband had suffered serious ill health which impacted on their family life. Mrs S said she fully understood the credit reference agency was to blame for the credit file been incorrect, but she had suffered as Nationwide hadn't accepted her up to her credit limit, until the error was corrected. And Nationwide had taken seven years to close the savings accounts for which the £200 compensation is inadequate for her time and worry.

The investigator said that as found in Mrs S's linked complaint the credit reference agency failed to carry out the amendment to the joint account and it alone was responsible for that error. He said that compensation was awarded under that complaint that Mrs S accepted. He said the £200 compensation in the present complaint was for the trouble and upset caused to Mrs S for not closing the saving accounts at the time requested and is fair.

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.

Mrs S wants to know why it took Nationwide seven years to close her accounts and why the cheque from Nationwide was issued in joint names. Mrs S also wants to know if it was appropriate for Nationwide to give out information on another individual's account and if it's acceptable for its staff to work with children or others around the home, and wished to know what security measures were in place. Mrs S felt that data had been disclosed to her that shouldn't have been on calls.

When Mrs S closed her joint account in 2016 it appears that Nationwide notified this to the three credit reference agencies that it uses. Two of these agencies updated Mrs S's credit records correctly, but one did not. Following Mrs S's complaint, Nationwide notified the credit reference agency that changes needed to be made urgently to its records removing her link to the account from June 2016, including any defaults.

I can see that Mrs S is aware that we cannot hold Nationwide responsible for the credit reference agency's error in not updating her record. And Mrs S has agreed compensation for this error and its impact upon her within her separate complaint about the credit reference agency. Mrs S has further described the impact that stems from this error in the present complaint, but I am unable to reconsider this as it has been dealt with under the separate complaint she raised and is not the fault of Nationwide.

I can see that Nationwide didn't notify the credit reference agency about the closure of Mrs S's savings accounts back in 2016. Mrs S knew this to be the case as they were still showing in her Nationwide app when she brought her complaint. I'm pleased Nationwide apologised to Mrs S for its failure to close the accounts and acted quickly to close them, and they disappeared from Mrs S's app. As the investigator has said, savings accounts don't report to credit files as they don't contain credit information and so they wouldn't have impacted on Mrs S's credit rating by remaining open.

I have also considered Mrs S's points about the protection of her personal data (GDPR). It isn't appropriate for a business to disclose information about another individual's account without their permission as this would be in breach of GDPR. Nationwide reviewed Mrs S's joint account, and it held and provided the same details that would have been available to Mrs S when she was a joint account holder.

I haven't seen that Nationwide provided any further information in addition to that discussed with Mrs S in the context of her separate complaint, or made an unauthorised release of her data. And so I think it was fair for Nationwide to say that there hasn't been a breach of GDPR. From the record of the calls between Mrs S and Nationwide, I haven't seen any evidence of detriment or adverse impact on Mrs S concerning the release of her personal data.

During a call between Mrs S and Nationwide she described having overheard a child crying, for which the agent apologised and when this re-occurred, the agent apologised again. Mrs S said she also heard a male voice which she thought was in the room with the agent. Nationwide is required to complete the relevant data privacy compliance ahead of its staff working from home. This is in common with all banks and other businesses that use home workers and includes the use of a headset whilst speaking to customers and a protected screen.

Nationwide has told us that its agent followed these security steps and took appropriate measures to protect Mrs S's data. I haven't seen anything that would cause me to doubt Nationwide on this point. I'm aware that many banks have pre-recorded measures alerting customers that they may hear non-office sounds during a call with its home workers. I'm sorry that Mrs S was upset by this, but I don't think she has been treated any differently to other Nationwide customers or suffered any detriment from her phone experience.

I can see that Nationwide issued a cheque for the balance of the joint account for just over £2 in joint names. I appreciate this wasn't cashable by Mrs S as there was then no joint account to pay it into and this was inconvenient.

I have thought about the £200 compensation Nationwide has offered Mrs S for the poor service it provided her. Mrs S said this payment was offered by Nationwide as a gesture of goodwill and not compensation and that this wouldn't affect any outcome we might reach.

When we consider an award of compensation we do so for the distress and inconvenience that has been caused to the consumer. We have to take into account what the business has offered in respect of its poor service and determine if we think this is appropriate with regard to the impact on the consumer and so it doesn't matter that Nationwide described its offer of compensation as a gesture of goodwill. Having considered all of the information from both parties I am of the view that £200 is both fair and reasonable as a reflection of the distress and inconvenience Mrs S has been put to and so I don't require Nationwide to do anything further.

I realise that Mrs S will be disappointed about this, and I want her to know that in reaching this view I have considered the effort required by her to resolve Nationwide's error with respect to the time she spent on the phone. I recommend that Mrs S contact Nationwide about its offer of compensation, and if she does so, I recommend that Nationwide make payment of the £200 by cheque in her sole name if that is how she would like to receive the funds, and to do so as soon as possible.

My final decision

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 16 January 2024.

Andrew Fraser
Ombudsman