

## **The complaint**

Mr D complains that Nationwide Building Society wouldn't stop charges and interest being added to his credit card account when he was out of work.

## **What happened**

Mr D was made redundant in December 2022. In late January 2023 Mr D called Nationwide and told them of this. Mr D told Nationwide he was actively seeking a new job and Nationwide agreed a one-month breathing space arrangement. In March, Mr D updated Nationwide and agreed a further one-month breathing space. Nationwide defaulted the account later in the year and the account has now been passed to a third-party.

Mr D complained that Nationwide didn't treat him fairly and that they continued to add charges and interest to his card balance. Nationwide didn't uphold the complaint and said that they can't freeze or refund any interest charges on an account without completing an income and expenditure form and fully discussing options with a customer.

Mr D brought his complaint to the Financial Ombudsman Services and one of our Investigators looked into things. The Investigator thought Nationwide hadn't treated Mr D unfairly. Mr D asked that an Ombudsman decides the complaint.

## **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.

I understand that Mr D will be disappointed with my final decision, but for very much the same reasons as our Investigator I've decided not to uphold this complaint. I will now explain why.

Mr D called Nationwide on 28 January 2023 to tell them he'd been made redundant in December. Nationwide asked Mr D if he had any savings or other income and asked him to complete an income and expenditure form so they could agree a payment plan with him – and also confirmed with Mr D that he wasn't vulnerable. Mr D told Nationwide he didn't want a payment plan so Nationwide agreed a one-month breathing space on the account and agreed to waive late payment fees and interest to Mr D's account during this period. Nationwide didn't apply a late payment fee or apply interest to Mr D's account in January.

Mr D called Nationwide on 10 March and explain that he hadn't yet found a new job. Nationwide offered to complete an income and expenditure form with Mr D so that it could consider a fair and reasonable payment plan. Mr D said he didn't want to do this as he had no available funds and said he wanted an extension to the breathing space already provided agreed. Nationwide explained that it only allowed customers two periods of breathing space each year and that they couldn't fairly consider a payment plan without first completing an income and expenditure form. Nationwide gave additional information to Mr D about how it could default the account if four payments were missed, that this could impact his credit file and that the account could be sent to a third-party to recover any debt. Nationwide also

offered Mr D details for a debt management charity. Mr D declined to complete an income and expenditure form and Nationwide agreed a further one-month breathing space but explained it could not stop interest and charges unless Mr D completed an income and expenditure form.

I understand that Mr D was going through a difficult time; he'd lost his job, had no savings and the only income he had was Universal Credit. I'd expect Nationwide to have listened to Mr D and get an understanding of his individual circumstances and discuss what help is appropriate. I don't think it's unfair or unreasonable that Nationwide asked Mr D about his income and expenditure and asked him to complete a form about this. I'd expect Mr D to co-operate with Nationwide and provide any reasonable information asked for – such as details of any other borrowing or details of any savings and investments. In the telephone call in January, Nationwide agreed a specific request from Mr D to allow him some breathing space and also agreed to waive a late payment fee and interest for a month. I think in the circumstances Nationwide treated Mr D fairly at this time.

In the second telephone call in March, Nationwide explained to Mr D the potential consequences of further missed payments if he didn't allow them to assess his ability to make a repayment. Nationwide again explained the possibility of a default being recorded on his credit file and said the account could be sent to a third-party for collection. Nationwide again pointed Mr D to a charity organisation that may be able to provide assistance to him. Mr D said he was still unwilling to complete an income and expenditure form and that he wanted further breathing space. Nationwide agreed to this and said it was the final breathing space it would allow as it had a limit of two breathing spaces per year.

I'm satisfied that in the telephone call in March, Nationwide again listened to Mr D and offered to consider stopping interest and charges to the account if he completed an income and expenditure form. Nationwide explained charges would continue if Mr D was given another breathing space and explained the consequences of missed payments. I appreciate Mr D's unemployment went on for longer than he would have hoped, but I think that Nationwide took reasonable steps to help Mr D and I can't say Nationwide treated him unfairly in the circumstances of this complaint.

Mr D has commented that Nationwide incorrectly reported the missed payments and default to credit reference agencies. For completeness, I've looked at the account statements and I'm not persuaded Nationwide did anything wrong here.

### **My final decision**

For the reasons above, I've decided that Nationwide Building Society didn't treat Mr D unfairly.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 8 January 2024.

Paul Lawton  
**Ombudsman**