

The complaint

Mrs H complains that Nationwide Building Society didn't provide her with a reasonable level of service when she asked for her credit file to be updated more quickly than the standard two to three months.

What happened

Mrs H contacted Nationwide in January 2023 to ask that her personal loan show as settled on her credit file. She was told that it could take two to three months and she asked that Nationwide contact the credit reference agencies to speed this up and explained her reasons for needing this. Mrs H says that Nationwide refused to carry out her request or give her an adequate reason for its refusal. Mrs H says that this meant she was delayed in having a mortgage put in her name and was caused a great deal of upset and distress. She also says she had to contact Nationwide on several occasions as it didn't return calls as it said it would.

Nationwide issued a final response to Mrs H's complaint in February 2023. It said that when a loan is paid off it takes two to three months for this to fully close on its system and for this to be shown in a customer's credit file. Nationwide checked with its personal loan administration team to see if an exception could be made but this wasn't possible. It noted Mrs H's circumstances and said that the mortgage provider should accept the closure letter it sent on 25 January 2023 as proof the loan had been paid off. Nationwide noted that its adviser had said they would call Mrs H back to update her and this didn't appear to have happened. It apologised for this and offered to pay her £30.

Mrs H wasn't satisfied with the response from Nationwide and referred her complaint to this service.

Our investigator didn't uphold this complaint. She said that Nationwide had said it couldn't request an earlier update to Mrs H's credit file and it had provided her with a closure letter which it said could be used as evidence the loan was settled. She noted that Nationwide didn't call Mrs H when it said it would but thought the apology and £75 compensation was a reasonable resolution to this part of Mrs H's complaint.

Mrs H didn't agree with our investigator's view. She said she was a vulnerable customer and that her request was reasonable and she was paid £30 as a gesture of goodwill not £75 and this was for the call back not happening. She said she was unable to proceed with a change of parties on her mortgage because the loan was still showing as active on her credit file weeks after she had settled it. She said that the fact she was a vulnerable customer wasn't considered and that Nationwide's refusal to make an exception for her was wrong.

Our investigator confirmed with Nationwide that the amount paid to Mrs H was £30. Nationwide said that it was aware that Mrs H was going through a divorce and wanted to transfer her mortgage from joint names into her sole name and that she needed the loan cleared for this to happen. It said there was no mention of Mrs H being vulnerable but that even if there had it wouldn't have changed the outcome as it took time for a credit file to be updated.

As a resolution hasn't been agreed, this complaint has been passed to me, an ombudsman to consider.

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 can understand why Mrs H feels that Nationwide didn't do enough to help her when she asked for her credit file to be updated more quickly than usual and I am sorry to hear of the stressful circumstances she was experiencing at that time. But for me to uphold this complaint, I would need to be satisfied that Nationwide had done something wrong or treated Mrs H unfairly.

Mrs H called Nationwide on 24 January to say that she had settled her personal loan a month earlier, but it was still showing as active on her credit file. She explained that she was going through a divorce and needed the loan to be shown as settled so her husband could be taken off the mortgage. I can understand why this was important to Mrs H as she says that without this, she might not be able to keep her home.

I understand that Mrs H thought her request could be actioned, and why she was disappointed that Nationwide wouldn't make an exceptional request in her case. We asked Nationwide for further details in regard to its contact with the credit reference agencies and it has explained that while it believed it could manually update a credit file to show the account as settled, if the account was in the monthly file that had been sent to the credit reference agencies there was a potential for this to cause an error with the reporting. It said because of this potential error it didn't have an exception process in place. Based on this, I do not find I can say that Nationwide did anything wrong by telling Mrs H that it couldn't update her credit file any quicker than the usual timescales or that it treated Mrs H unfairly because of this.

Nationwide did try to assist Mrs H as it sent her a closure letter for the loan and a full statement. These documents could be used by Mrs H to confirm that her personal loan had been settled. So, while Nationwide wasn't able to carry out Mrs H's request for an urgent credit file update, I do find that it took the actions it could to help her.

Mrs H said on the call on 24 January that while her loan was still showing as active it had a zero balance. Information provided by Nationwide shows that Mrs H's credit file was updated to show the loan as settled in February 2023 which was within the original timescales Mrs H had been told, and shortly after Mrs H's call.

I understand that Mrs H doesn't feel that her vulnerability was taken into account. Having listened to the call she explains her situation and that not being able to take her husband off the mortgage could lead to her and her child becoming homeless. I agree this shows she was in a vulnerable situation. However, in this case Nationwide took the actions it could to assist Mrs H and informed her of the timescales for her credit file being updated. It has explained that this approach wouldn't have been different even if her vulnerability had been flagged. So I do not find the issue of Mrs H's vulnerability changes the outcome.

Mrs H was promised a call back on the call on 24 January and this didn't happen. Because of this Nationwide apologised and paid her £30 compensation. I find this a reasonable resolution.

Overall, I understand why Mrs H is upset as she feels Nationwide didn't provide the support she needed. But in this case, I do not find that I can say Nationwide did anything wrong or treated Mrs H unfairly. It tried to support her with additional statements to show the loan had

been repaid and her credit file was updated within the usual timeframe and the month following Mrs H's call. Because of this I do not uphold this complaint.

My final decision

My final decision is that I do not uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 10 November 2023.

Jane Archer
Ombudsman