

## **The complaint**

Miss S complains about what happened when she applied for an additional advance on her mortgage with Nationwide Building Society. She said she wasn't able to complete the application, and she wanted compensation for the impact she told us this had.

## **What happened**

Miss S told us that on 26 May 2022 she got a decision in principle from Nationwide for a further advance on her mortgage. Miss S planned to use the money for home improvements. On 23 June she sent Nationwide copies of the income documents it had requested. She then sent them again, when Nationwide's app still showed these as outstanding. But she said two months later, these were still awaiting approval.

Miss S said she works full time, and didn't have time to constantly call Nationwide to find out what was going on. When she did call, she was told the department was busy. She said there was no communication after that, aside from an acknowledgement of her complaint.

Miss S said she hadn't been able to go ahead with her plans for home improvements, and she wanted Nationwide to pay compensation for that, and for the impact this all had on her.

Nationwide said it issued a decision in principle ("DIP") and a mortgage illustration on 26 May. It said the DIP explained to Miss S that she needed to carry out further steps to complete her application, which were -

- 1/ continue to Product Reservation,*
- 2/ continue to Full Mortgage Application and instruct the valuation*
- 3/ to avoid any delay, send any documents which are noted on the certificate.*

Nationwide said Miss S had provide the requested documents, but she hadn't reserved a product, or completed a full mortgage application. Nationwide said it wouldn't review her documents until these steps were completed, and it wouldn't issue further communications (like a chasing email) until this was done.

Nationwide said it could see Miss S had contacted it on 11 July 2022. Miss S asked the agent to confirm Nationwide had received her documents, which the agent did. But the agent also suggested Miss S speak to the specialist team, and said if Miss S didn't want to do that now, she should call back if she hadn't heard anything in the next couple of days. Nationwide said that there are times when its lines are very busy, but there are also quieter periods when Miss S wouldn't have to wait for an extended period to get through.

Nationwide said Miss S would need to apply again if she still wanted this borrowing. It wouldn't honour the rate Miss S had previously applied for, if she applied again now.

Miss S said she definitely had reserved a rate when she made her application. She sent Nationwide a screenshot illustrating a reserved rate. She said then that she hadn't been able to click "*Confirm your mortgage*" and move to the next step in the application, because when

she tried, the system said there were outstanding requirements. The only thing outstanding was Nationwide's approval of submitted documents.

Nationwide replied to say that it had checked with its IT team, and it now accepted Miss S had reserved a rate, but she hadn't then completed the application, so her application had reverted back. Nationwide didn't change its mind about this complaint.

Our investigator didn't think this complaint should be upheld. He said the DIP Nationwide sent to Miss S had set out steps she needed to complete. And Miss S didn't appear to have completed these. He said Nationwide had no record of any technical issues at the time when Miss S applied, and he would expect if there were technical problems, then other customers would have experienced this too. He also said he couldn't see that Miss S had raised this concern about not being able to progress her application with Nationwide when she contacted it about her documents, or when she later complained. Our investigator said as this was a self-managed application, there was an onus on Miss S to follow it up as needed.

Because Miss S didn't fully complete the application, our investigator said he didn't think it would be fair or reasonable to ask Nationwide to do anything more. And our investigator didn't think Nationwide had delayed in dealing with Miss S's complaint.

Miss S didn't agree. She said it was clear that there was an issue with the online application and Nationwide was contacted within plenty of time to resolve the issue prior to the DIP expiring. Miss S wanted her complaint to be considered by an ombudsman, so it was passed to me for a final decision.

### **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've reached the same overall conclusion on this complaint as our investigator.

Nationwide says what's gone wrong here, is that Miss S never completed this application. Miss S says she tried repeatedly to continue her application, but wasn't able to do that.

As part of our investigation, I've reviewed the online journey that Nationwide has set out for us, when customers apply for additional lending on a mortgage.

That's a four-stage process, which includes the following sections –

- 1 – How much can you borrow?*
- 2 – Get a decision in principle*
- 3 – Confirm your mortgage*
- 4 – Apply*

Having considered the online journey that Nationwide has set out for us, I do think it was reasonably clear for Miss S that a complete mortgage application online with Nationwide would be a multi-step process. And I think Nationwide signposted reasonably clearly for Miss S what those steps were, both through its online system and through the DIP document it provided to Miss S.

Miss S did get a decision in principle, and did then choose the mortgage she wanted (in the section "*Confirm your mortgage*"). We know this, because she's sent us screenshots of a selected rate. But these screenshots, which she sent us, do also seem to me to signpost

Miss S to the next step in her application, which is shown there, again, as *"Confirm your mortgage"*.

Nationwide says Miss S only got partway through her application on 25 May, then didn't finish. It has explained why Miss S was still being asked to *"Confirm your mortgage"*, it says its IT team can see she did select a rate, but her application then reverted back a step when the full application wasn't completed. That's consistent with what I'd expect in a mortgage application, as a particular interest rate isn't usually reserved before a full application is completed.

I can see that Nationwide requests documentation at different stages, including as part of a decision in principle. So the fact that documentation had been requested from Miss S doesn't indicate that she'd completed a full mortgage application.

I've thought about what Miss S has said about her attempts to continue her application. And I think it's worth noting that Miss S doesn't appear to have said she wasn't able to move forward onto the *"Confirm your mortgage"* screen until she was replying to Nationwide's complaint response letter, telling her it didn't think she'd completed her application.

Miss S said then *"I tried to do this and it would not let me as it said there were outstanding requirements."* Although Miss S included a number of screenshots when she sent this response to Nationwide, there's nothing demonstrating that Miss S was shown any error screen when she tried to click on the *"Confirm your mortgage"* button.

When our investigator asked Miss S to explain a bit more about what happened when she tried to click this button and move her application forward to the next stage, she said *"The option to 'confirm your mortgage' did not take me to any next steps, it remained on the same landing page which showed me documents were outstanding."*

I think if Miss S had been shown an error screen, or indeed had clicked on a link to move things forward that then didn't work, she would be likely to have mentioned this, either on her call of 11 July, or in her subsequent written complaints of 25 July and 4 August. And I can't see that Miss S did mention either of those problems. There's nothing in those communications to confirm to me that Miss S was seeking to progress her application through the online system, and wasn't able to do so. Those communications do seem to me to be consistent with the conclusion that Miss S had overlooked the need to carry out further steps to complete her application.

Miss S said there was a problem with the application process, and Nationwide was alerted to this in enough time to fix it before her application lapsed. But, for the reasons set out above, I haven't been able to see that Miss S did alert Nationwide at the time, to the problem she's since told us she experienced.

I do understand that Miss S wasn't given full and complete advice about how to progress her application on the call on 11 July, because the agent did indicate that Nationwide needed to approve some documents, and didn't tell her then that Nationwide was waiting for her to finish this application. But I also note the agent did say she wasn't part of the specialist team on this. I can hear on the call that she tried to pass Miss S through to that specialist team, but Miss S didn't want to wait for that. And when Miss S said she'd rather call back at a less busy time, the agent specifically advised Miss S to call back if she hadn't heard in a couple of days. We know Miss S didn't do that.

So I don't think that what has gone wrong here, happened as a result of this call with Nationwide on 11 July.

I've considered what both sides have said here, and on balance, I'm not able to say it's more likely that Miss S was seeking to progress her application, as she said, but wasn't able to do so. I think that the evidence I've seen suggests Miss S had unfortunately overlooked the next stage in her application. And, having considered the online customer journey that Nationwide has shown us, as well as its response to Miss S's call and her written complaints, I haven't been able to conclude that this was Nationwide's fault.

I know that Miss S will be disappointed, but I don't think this complaint should be upheld.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 4 December 2023.

Esther Absalom-Gough  
**Ombudsman**