

The complaint

Mr and Mrs V complain that Nationwide Building Society has incorrectly made an adjustment to their mortgage that is attracting additional interest and it won't give them a clear explanation about it. They also complain that Nationwide gave poor service, was rude and gave them incorrect and misleading information.

What happened

Mr and Mrs V have a mortgage with Nationwide.

In May 2022, they made an overpayment. They said that part of it was incorrectly debited, rather than credited to their mortgage. They are worried they're incurring interest and charges on that amount – and they said Nationwide won't explain what has happened and has provided a poor service. They add that Nationwide was rude to Mrs V when she spoke to it about the complaint.

The investigator said that in May 2022, Mr and Mrs C had agreed with Nationwide to backdate part of an overpayment. The debit of £247.81 reflected that amount had been debited and then backdated to the relevant months. The investigator was satisfied that no additional interest had been applied and that Nationwide had explained the amendment.

On review, the investigator said that Nationwide should pay Mr and Mrs V £125 for administrative errors when dealing with them and £100 for speaking to Mrs V abruptly and firmly. Mr and Mrs V did not accept what the investigator said.

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.

The complaint

Mr and Mrs V have made several complaints to Nationwide. They've said we're not considering the complaint they want us to.

When Mrs V referred this complaint to us, she told us Nationwide had mistakenly added an amount to her account in error and that it was attracting interest and that Nationwide had not explained what had happened. She also said that Nationwide was rude to her when it spoke to her about her complaint.

I don't consider there were any other complaints referred to us. I am satisfied that the complaint as set out in the complaint section above is what Mr and Mrs V referred to our service and that is what we have investigated here.

I know Mr and Mrs V are concerned that the mix up with the complaint references means we aren't considering the right complaint. But Nationwide's reference numbers have no bearing on the complaint we look into or how we look into it. I'm satisfied I have enough evidence for

me to decide what is fair and reasonable in the individual circumstances of this complaint.

The account adjustment

When Mr and Mrs V extended the term of the mortgage, their payments were recalculated and the amount due each month reduced. Following that, Nationwide agreed if Mr and Mrs V made a lump sum payment, it would backdate it to make up the difference between the reduced amounts it had collected in monthly payments and the amount Mr and Mrs V wanted to pay.

On 28 May 2022, Mr and Mrs V made an overpayment of £10,000. Nationwide debited £247.81 from the lump sum. Nationwide has provided evidence that it then backdated and applied amounts totalling £247.81 to the February, March and April 2022 payments on Mr and Mrs V's mortgage.

I don't consider that Nationwide has incorrectly or unfairly debited £247.81 from Mr and Mrs V's mortgage. Rather it has shown that it deducted that amount from a lump sum payment and reapplied it to earlier months' payments as agreed. There is no evidence that supports Mr and Mrs V have lost out as a result of what happened. They have not incurred charges or have been charged additional interest on the £247.81.

Explanation

Mr and Mrs V appear to continue to be confused about what happened. Nationwide had an obligation to communicate in a way that was clear fair and not misleading.

Looking at the evidence we have I consider Nationwide has taken reasonable steps to explain the account adjustment to Mr and Mrs V in a clear, fair and not misleading way on several occasions and answered any questions they had. I don't consider I could reasonably require it to do anything further.

Customer service

Nationwide accepted there had been some service issues, including confusion around complaint references and misunderstandings, including about contact and call backs. Nationwide has paid Mr and Mrs V a total of £125 for those matters - £75 on 22 July 2022 and £50 on 16 December 2022.

The investigator also found that Nationwide was abrupt when it spoke to Mrs V on 22 December 2022. I agree.

Looking at everything that happened here – and even if I accept everything Mrs V has said about the service she received from Nationwide in relation to this complaint – I consider a total amount of £225 (£125 of which has already been paid) fairly compensates Mr and Mrs V for any avoidable distress or inconvenience caused to them by Nationwide as a result of this matter. That reflects this matter has been going on for many months and that Mr and Mrs V have been caused some unnecessary stress and inconvenience during that time because of the way it was handled – but also that Nationwide is not responsible for all of the stress and inconvenience Mr and Mrs V might have experienced because of what happened.

My final decision

My final decision is that Nationwide Building Society should pay Mr and Mrs V £100 on top of the £125 it has already paid them.

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

Ken Rose
Ombudsman