

The complaint

Mrs C complains Nationwide Building Society reported incorrect information about her mortgage which caused her to lose out.

What happened

Mrs C has a residential mortgage with Nationwide. She also has a joint buy-to-let mortgage with her son (Mr B) with another lender. In late July 2022 Mrs C and Mr B applied to move their buy-to-let mortgage to a new lender. The new lender declined their application, saying 'Credit Score Fail'.

It came to light Nationwide had reported some adverse information about Mrs C's residential mortgage to the credit reference agencies ("CRAs"). Nationwide quickly (although not without hassle for Mrs C) accepted this was a mistake and took steps to correct it but said it would take four to six weeks for Mrs C's credit file to update.

Mrs C and Mr B (with advice from their mortgage broker) decided they didn't want to risk waiting so they took a new product with their existing lender. The terms, however, weren't as favourable as what they had applied for with the new lender, so Mrs C asked Nationwide to cover the difference (about £10,000).

Nationwide accepted it made a mistake but didn't think it could fairly be held responsible for Mrs C's alleged loss. Mrs C didn't think this was a fair outcome, so she asked our service for an independent review. The Investigator recommended the complaint be upheld. Nationwide didn't agree so the complaint was passed to me to decide.

I issued a provisional decision. I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Nationwide, Mrs C, Mr B, and the Investigator all agree Nationwide reported adverse information to the CRAs in error. For completeness, so do I. So what I need to decide is whether I should require Nationwide to compensate Mrs C in the way she has asked. I'm not persuaded I should. I'll explain why.

Nationwide has argued Mrs C and Mr B could have appealed against the new lender's decision to decline their application. I can see from a screenshot of the application being declined on 29 July 2020 (provided by Mrs C and Mr B) they could have. By 4 August 2022 Nationwide had provided written confirmation of its mistake. Mrs C and Mr B didn't appeal. Instead, they took a new product with their existing lender on 8 August 2022. While I can understand Mrs C and Mr B's decision, by doing what they did, they crystallised their alleged loss and I can't see that they sought any specific support/relief from Nationwide beforehand.

Mrs C and Mr B say their application would have been successful but for the adverse information Nationwide reported to the CRAs. There's no certainty in this though, and

as an appeal wasn't lodged, we'll never know for sure. There was some additional adverse information on Mrs C's credit file (albeit somewhat dated) and Mr B wasn't on the electoral register. And if the application hadn't failed on the credit score, there is no certainty it would have ultimately succeeded. Mortgage applications consider a great many factors. And buy-to-let mortgages even more so. It's also known that at the time of this application there was uncertainty in the market, including with changes in interest rates - a cause for concern.

Overall, I can't fairly and reasonably conclude, with sufficient certainty, on the evidence presented to me, that Mrs C has lost out directly and solely because of Nationwide's actions. It follows I can't fairly and reasonably require Nationwide to compensate her as she would like. Nationwide's mistake did cause Mrs C some unnecessary distress and inconvenience in that she had to get Nationwide to correct its mistake. Nationwide apologised and offered Mrs C £100 compensation. I consider that fair and reasonable in the circumstances.

My provisional decision

I don't intend to uphold this complaint."

Nationwide accepted my provisional decision. Mrs C and Mr B responded in a logical, measured way, highlighting evidence they considered supported their position.

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.

While Mrs C and Mr B's response to my provisional decision is well formed and makes clear what happened from their point of view, the evidence and arguments are materially the same as those as I considered before issuing my provisional.

I have reconsidered. While I sympathise with Mrs C's position, I still find I can't fairly and reasonably conclude, with sufficient certainty, on the evidence presented to me, that Mrs C has lost out directly and solely because of Nationwide's actions.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 25 August 2023.

James Langford
Ombudsman