

## **The complaint**

Mr R complains that Nationwide Building Society did not inform him that his mortgage direct debit was returned unpaid.

## **What happened**

Mr R says that his mortgage direct debit was returned unpaid as he didn't realise his account had less money in it than his monthly repayment. But as he didn't receive an alert from Nationwide, he thought the payment was successful. He says he only found out when his mortgage provider wrote to him informing him his payment was missed. Mr R made a complaint to Nationwide as he said they had a duty of care to inform him when his mortgage direct debit hadn't been paid.

Nationwide partially upheld Mr R's complaint. They said his account is a self-managed account and so they would expect him to make sure there's enough available money to make his payments, before the due date and to make sure his payments are paid when expected. They said as there wasn't enough money to pay the direct debit, it was returned unpaid which was noted on his statement. Nationwide said they can see he checked his account on the day before and after the direct debit was due, so they would've expected him to have made provisions for making this payment.

Nationwide said they have a text alert service to help their members manage their account, but unfortunately Mr R was not registered for this service automatically, so they've taken steps to arrange this, so he would receive text alerts in the future. As Mr R wasn't automatically registered for this service, they offered him £25 compensation. but he wanted them to pay half of the mortgage payment cost, so he brought his complaint to our service.

Our investigator thought the £25 offer was fair. She said the full responsibility is on the consumer to ensure enough funds are in their account to cover agreed contractual payments. She didn't think it was fair to hold Nationwide partly responsible for this as the payment wasn't made due to a bank error, it wasn't made because there weren't enough funds in the account. She said Nationwide advised that they could see Mr R checked his account the day before the payment was due and the day after it had failed, so he had the opportunity to notice there wasn't enough funds and the payment hadn't been made. Mr R asked for an ombudsman to review his 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'm persuaded that Nationwide let Mr R down by not automatically enrolling him, as their normal process, for automatic text alerts. It may be possible that if Mr R was enrolled for the text alert, then he may have been able to borrow the shortfall of the funds in order to make the payment when this was attempted later this day. So Nationwide have deprived him of the opportunity to at least try and borrow the required funds by the cut off time for the direct debit to be tried again.

But Nationwide have also provided us with an audit of Mr R's application (app) activity in the days around the direct debit payment. This shows Mr R did check his statement the day prior to the direct debit was due to debit his account. So he realistically ought to have been aware that he didn't have enough money to pay the direct debit. Mr R has said because he didn't receive an alert he thought the direct debit would have been paid. But Nationwide had provided evidence that Mr R logged into his app and viewed his statement the day after the direct debit was due, so he ought to have reasonably known at this point that the direct debit had been returned. So he could have contacted his mortgage provider to make an alternate payment arrangement at this point.

I know Mr R wants Nationwide to pay half of his mortgage payment. But it is not proportionate for me to ask Nationwide to pay any of his mortgage payment. I say this because Mr R would have needed to have paid £550.89, regardless of if it was paid on the day it should have been or later. So he would always have needed to pay this amount without Nationwide contributing towards this. If Mr R thought the payment had been made and he spent money which was actually allocated to his mortgage payment, then I can't fairly hold Nationwide responsible for this.

So while I have a great deal of sympathy for the position Mr R found himself in, I can't reasonably say Nationwide should pay any of his mortgage payment as he was always liable for the £550.89 payment himself. But I do think they should pay him the £25 they offered him for not automatically registering him for the text alerts service, as I'm persuaded that this is a fair offer for not automatically enrolling him into this. So it follows Nationwide should pay him this if they haven't already.

### **My final decision**

Nationwide Building Society has already made an offer to pay £25 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that Nationwide Building Society should pay Mr R £25 (but only if they haven't already paid him this). But I won't be requiring them to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 27 December 2023.

Gregory Sloanes  
**Ombudsman**