

## **The complaint**

Mrs H complains that Nationwide Building Society didn't notify her before the end of the 12-month term of her Flex Regular Online Saver account. And that Nationwide failed to cancel a standing order to the account. She says this caused her to lose interest after the end of the 12-month term.

## **What happened**

In May 2018 Mrs H opened a Flex Regular Online Saver account (Flex account) offering 5% interest for 12 months. Mrs H set up a monthly standing order of £250, to go from her current account into the Flex account.

In July 2019 Mrs H noticed payments were still being made under the standing order. She also discovered the interest rate on her Flex account had fallen from 5% to 0.60%.

Mrs H complained that the standing order had continued, and said she didn't receive a notification when the interest rate, on the Flex account, was about to fall. This was despite having been told Nationwide would contact her prior to the account's anniversary. And having registered for Savings Watch - a Nationwide scheme that alerts customers to changes in its savings product range.

After contacting Nationwide, Mrs H was advised to complete an online complaint - which she did a few days later. She asked about the best options open to her, and said she'd close the account if there was nothing similar to transfer the money to.

Mrs H asked what interest rate she was receiving on her accounts, and asked for a payment from June 2019 to be returned to her current account. Mrs H believed the standing order should have ended at the end of the Flex account term.

Mrs H said there'd been a lack of communication by Nationwide, and asked them to return any interest she'd have earned if the payment for June 2019 had stayed in her current account. She asked Nationwide to make a gesture of goodwill for the time she had spent in trying to resolve the matter.

In Nationwide's response, they confirmed the standing order had been set to pay £250 each month, but as the standing order didn't have an end date, it had continued to run until being cancelled by Mrs H. And as Nationwide weren't able to transfer any funds back to her current account, this would need to be done by Mrs H via online banking.

Nationwide said a Savings Watch email had been sent to Mrs H on 18 April 2019, advising of the change in interest rate on her Flex account.

As she didn't agree with Nationwide's response, Mrs H brought her complaint to our service. She wasn't happy with the level of customer service provided by Nationwide in the handling of her complaint. Mrs H thought Nationwide had blamed her, and said they hadn't answered all of the points she'd made in her complaint.

Our investigator didn't recommend upholding the complaint, finding the evidence supported what Nationwide had said in their response to Mrs H. As she didn't agree with the investigator's assessment, Mrs H asked for this review.

### **What I've decided – and why**

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### **Flex account**

I've reviewed Nationwide's Welcome letter for the Flex account. It confirms the account will change to an instant access account on 19 May 2019, meaning the interest rate would also change. The letter says Nationwide would contact Mrs H near to the account's anniversary.

Having registered for Savings-Watch through online banking, I can see why Mrs H might have thought she'd receive notifications for any changes in interest rate. But terms and conditions of the Flex account make it clear the interest rate will only last for 12 months - so there would have been a certain level of expectation that Mrs H would know that the interest rate would change after the 12-month period had ended.

I can see from the registration form for Savings-Watch, provided by Nationwide, Mrs H selected email as her contact method, and agreed to the terms and conditions. As Mrs H said she didn't receive a notification about the interest rate falling through the Savings-Watch scheme, so an incident was logged with the IT department.

Nationwide has provided a copy of the incident report confirming they sent a notification successfully on 18 April 2019, and I note, this was sent to the same email address Mrs H has used throughout her complaint.

While I understand the frustration Mrs H has experienced in not receiving the notification, I accept it was sent correctly, and Nationwide had notified the change in interest rate. And given the interest rate would only change at the end of the term, I conclude this notification would cover the only interest change, but the yearly anniversary of the Flex account.

I understand that Mrs H is also unhappy that she received a letter in July 2019 notifying her of further changes to interest rates on her Flex account. But from the transaction history provided by Nationwide, I can see this related to a change in interest rate for the following month. And I would expect occasional letters would continue to be sent while the account remained open. I would also expect Savings-Watch emails to continue unless the account was closed or the preference for notification was changed by Mrs H.

### **Standing order.**

From the payment mandate provided by Nationwide I can see Mrs H set up the standing order on 19 June 2018, for a payment of £250 to go into her Flex Account every four weeks. From the mandate I can't see that a final date was entered, so understand the order would be ongoing until such time it was cancelled by Mrs H- which took place 12 July 2019.

A standing order is a customer's instruction to their bank or building society to send a regular payment, for a set amount on a set day to a named person or organisation. This can be for a

set period of time or until it's cancelled. Standing orders are normally set up by the customer, either by completing a form, on the phone or by internet banking.

While I understand the frustration felt by Mrs H, Nationwide weren't able to cancel or amend the standing order - as this would be something Mrs H would have needed to do.

### **Customer service from Nationwide**

Mrs H complained that Nationwide staff didn't call her back to discuss her complaint. While Mrs H has said that she didn't receive any missed calls from Nationwide, Nationwide provided details of two calls made by their complaint handler to Mrs H in July 2019. They also explained that if they couldn't get hold of a member, they write to them - which is what happened. On balance I'm satisfied that Nationwide tried to call Mrs H to talk about the complaint, and then wrote to her confirming their response.

When a business sends out a final response letter it's not unusual for the business to stop discussing complaints once they've given what they consider to be their final answer. I've also read a copy of Mrs H's complaint to the business - and can see they answered all of the points raised. Nationwide also advised Mrs H she had the option to bring her complaint to us - which she did.

In summary, Mrs H's Flex account was for a 12-month period with an interest rate of 5% ending May 2019. In April 2019 Nationwide sent an email notification, telling Mrs H the rate was about to change. While I accept that Mrs H didn't receive the notification, and understand the frustration this has caused - Nationwide acted in line with the terms and conditions of the account, having sent it.

Although Mrs H expected Nationwide would cancel the standing order, I can't see it gave any such undertaking. And as Mrs H had not set an end date, the standing order would have continued automatically until cancelled by her. This is, after all, what a standing order is designed to do.

As I don't see that there has been any error by Nationwide Building Society, and I believe they acted fairly in the circumstances, it wouldn't be fair for me to uphold this complaint.

### **My final decision**

For the reasons I have explained, I don't 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 17 June 2020.

Sarah Watts  
**Ombudsman**