

## **The complaint**

Mr and Mrs M have complained about the service they received from Nationwide Building Society when they wanted to arrange a mortgage to buy a new property.

## **What happened**

The details of this complaint are well known to both parties, so I will not repeat them again here.

Our investigator didn't uphold the main thrust of the complaint, but she did feel Nationwide's offer of £100 compensation wasn't enough; she felt £200 was more appropriate.

Mr and Mrs M didn't accept her findings and so it has been passed to me to decide.

## **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 trust Mr and Mrs M won't take it as a discourtesy that I've condensed their complaint in the way that I have. Although I've read and considered the whole file I'll keep my comments to what I think is relevant. If I don't comment on any specific point it's not because I've not considered it but because I don't think I need to comment on it in order to reach the right outcome.

I understand our investigator's findings were disappointing. It's the nature of what we do that we generally have to find in favour of one party or the other. Our findings are based on consideration of all the facts and all the submissions made by both parties. We look at what happened and decide whether, bearing in mind any relevant law, regulations, and good industry practice, the lender acted fairly and reasonably.

Where the evidence is incomplete, inconclusive or contradictory, I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

It's not the role of this service to decide whether the advertising for a particular product met the regulatory requirements in place at the time. That is the role of the regulator. This means I can't ask Nationwide to change its practices generally around the advertising of the later life products. I need to decide whether Mr and Mrs M were treated fairly.

At the time in question Nationwide wasn't able to offer its Later Life mortgages to people like Mr and Mrs M who wanted to buy a new property. That applied to all applicants, and so Mr and Mrs M haven't been treated any differently from any other customers in the same situation. Nationwide is allowed to set its own lending criteria. Decisions that Nationwide makes in respect of what those criteria are, whether it should lend at any particular time and if so, on what terms are clearly discretionary matters for Nationwide's own commercial judgement that I would not interfere with.

I'm satisfied Nationwide wasn't offering Later Life mortgages at that time so Mr and Mrs M couldn't have had one, however much it may have suited their circumstances. That left them with the options to:

- use their savings/investments to buy the property,
- arrange a 'normal' mortgage with Nationwide,
- arrange a mortgage with a different lender, or
- not move house.

Mr and Mrs M have said that the fourth option – not moving house – wasn't an option, so I've excluded that.

Nationwide looked at arranging a mortgage from its core range for Mr and Mrs M but they didn't make a full application. On Friday 14 August 2020 an appointment was booked for Mr and Mrs M to obtain an agreement in principle. That meeting took place on Monday 17 August and in that an agreement in principle was given for a mortgage of up to £31,000. The adviser emailed Mr and Mrs M the same day to confirm she'd booked the full appointment meeting for Thursday 3 September and gave Mr and Mrs M a list of the documents they'd need to provide for that. Mr and Mrs M provided the documents later that day, but then Mr and Mrs M didn't proceed to the full application.

Mr and Mrs M have said that the process was slow, but I don't agree. Even in normal times – outside of a pandemic – I wouldn't say that timescale was unduly long. Mr and Mrs M have no way of knowing, if they'd attended the full application meeting on 3 September, that Nationwide wouldn't have had a mortgage offer in place in time for them to complete on the new-build property they were buying. Instead they decided not to try, and buy the property using their savings/investments instead. That was their choice, but that means what flowed from that (in that they had to use more of their savings/investments than they would if they'd instead taken this mortgage) wasn't down to Nationwide it was due to the decision made by Mr and Mrs M not to apply for the mortgage.

If Mr and Mrs M were unhappy with Nationwide's timescales then they also had the option to apply either to another lender directly for a mortgage, or to seek advice from a mortgage broker who could look at the whole market to see what would suit Mr and Mrs M's circumstances and be able to act within their tight timescales.

Mr and Mrs M have said "*We most certainly have lost out financially to the tune of £70,558.63*" but that's against if they'd been able to take a Later Life mortgage. As a Later Life mortgage wasn't an option that was available to Mr and Mrs M at the time then that's not a comparison that can be made. Instead the most it could be argued that Mr and Mrs M have lost out on is £31,000 as that's the amount Nationwide said it was willing to lend to them under the agreement in principle that was issued on 17 August. And even that we can't say for sure as we've no way of knowing if their application would have been successful, as they didn't formally apply for it.

A Later Life mortgage wasn't an option, and Mr and Mrs M didn't give Nationwide a chance to try to get a mortgage from its core range in place for them to stop them having to use so much of their savings/investments to buy the new property, so I can't hold Nationwide liable for the loss of availability of those funds.

Nationwide – and our investigator – suggested the option that Mr and Mrs M could fund the purchase from their savings/investments and then immediately remortgage the property to recoup those funds if they weren't happy about losing the access to the money long term.

Mr and Mrs M referred to that as “*nonsensical to us and is too much of a gamble*” to Nationwide and as “*patronising*” to our investigator, saying they could make those decisions themselves without advice from her. I’m pleased to see that Mr and Mrs M are happy to make those decisions themselves as it seems a fairly simple solution to the issue.

In terms of the underlying complaint I’m satisfied Nationwide didn’t cause the loss Mr and Mrs M are claiming for, but I do think it didn’t handle things as well as it could have done. I understand Mr and Mrs M are incredibly busy and that this was a difficult time for them (the details of that I won’t mention here to protect their privacy). I agree with our investigator that Nationwide gave conflicting and unclear information and gave Mr and Mrs M an expectation that they may be able to obtain a Later Life mortgage. It also sent a letter to their old address after it had been notified that they’d moved. Having considered everything I agree with our investigator that a further £100 on top of the £100 Nationwide previously offered is due for the inconvenience caused.

### **My final decision**

For the reasons I’ve explained, my final decision is that Nationwide Building Society should pay Mr and Mrs M £200 compensation (less any amounts already paid, if applicable).

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr and Mrs M to accept or reject my decision before 27 January 2022.

Julia Meadows  
**Ombudsman**