

The complaint

Mr S complains about Nationwide Building Society (“Nationwide”) for giving him misleading information about what was owed immediately on his credit card debt. He wants Nationwide to be held accountable and to pay him compensation or waive his debt.

What happened

Mr S held a Nationwide credit card with a balance of around £14100.

In early 2021, Mr S encountered difficulties making payments towards his debt.

He contacted Nationwide and agreed to a zero-payment plan. This froze the balance and stopped interest and charges being added to his balance.

Over the following months, Mr S contacted Nationwide on numerous occasions to check what he owed immediately. He was given inconsistent information on those calls, with some telling him he did not need to make any immediate payment, and that he could wait until the end of his plan to make payments, and others telling him that arrears were accruing on the debt.

In later calls, Mr S was advised that arrears had built on his credit card and were then more than £2000.

Mr S was upset by this and asked Nationwide to provide recordings and a log of his calls. He also complained that he had been given contradictory information and that this had caused him worry and stress.

Nationwide responded to his complaint. It acknowledged that he had been given inconsistent information regarding arrears during some calls but explained that ‘arrears’ in the context of a credit card were a record of missed contractual minimum payments. This was recorded in order to ensure his credit file was accurate, and so that any default was based upon accurate information.

Nationwide apologised that call logs and recordings had not been sent to Mr S and informed Mr S to make a data subject information request.

Nationwide offered Mr S £100 to reflect his distress and inconvenience, which was deducted from his account balance.

Mr S was not happy and contacted us. At that time, Mrs S’s debt remained the same, at around £14100.

In the meantime, Mr S’s debt has been sold to a third party.

One of our investigators looked into this matter and did not uphold Mr S’s complaint. Nationwide had difficulties in sending us call recordings, so our investigation proceeded on the basis of what Mr S had told us.

Our investigator acknowledged that Nationwide had given inconsistent or unclear information but noted that this had not had a financial effect on Mr S as no charges had been applied to his account and the balance stayed the same throughout. She thought that Nationwide's offer of compensation was reasonable to reflect the distress and inconvenience caused.

Mr S did not accept that view and asked for an ombudsman decision.

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 understand Mr S's strength of feeling about this matter. He is clearly worried about what debt he owes and has owed and is frustrated at the unclear information he has received from Nationwide.

He wants Nationwide to be held to account, as he feels that he has been punished by having the debt continue.

I do, however, agree with the investigator's view and I do not uphold his complaint.

I appreciate that we have not received audible versions of some of the calls, and so I have accepted Mr S's account of what took place during those calls. I accept that he was told confusing information about his debt and about what was owed at any time throughout his payment plan.

I understand this would have been frustrating, but I cannot see that it affected the material position which was that Mr S had an outstanding debt of around £14100, and that he was not specifically required to make payments over the plan period, and the debt would not increase. It equally would not decrease without payments being made to it, however, and I cannot see that payments were made during the period of the plan.

Arrears on a credit card are not quite the same as with products like a loan or mortgage where a definite amount becomes 'due' each month and must be paid. With a credit card the entire balance is always due to be repaid but there is a minimum amount that the consumer agrees to pay each month, and this varies as the balance changes. When Nationwide talked about arrears, it meant the contractual payments which were being missed during the zero-payment plan. These showed the amount of repayments that had been missed (by agreement) over the plan duration. It was reasonable for Nationwide to capture and report this information as it appears accurate and demonstrates how the account was managed.

I agree however that Nationwide should have been more clear about this, and that the failure caused Mr S some distress and inconvenience. I think that the offer made is appropriate for the additional worry caused by the poor communication as I think that the vast majority of Mr S's worry is based upon the large amount of debt outstanding. I have not seen any problem with the way this amount was reached, and it was not increased by the payment plan or because of Nationwide's poor communication.

Therefore, although I know this will be disappointing to Mr S, I think that Nationwide has acted reasonably in offering compensation to reflect its failures and I do not ask Nationwide to do anything further.

My final decision

For the reasons given above I do not uphold Mr S's complaint and do not ask Nationwide

Building Society to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 5 September 2022.

Laura Garvin-Smith
Ombudsman