

## The complaint

Mr S complains that Nationwide Building Society provided him with extensions to his overdraft facility limit. Mr S says that manual checks of his bank account would have made it clear at the time the credit was being offered to him that it was not affordable.

## What happened

Mr S had an account jointly with another person. That account became his sole account around May 2016 and so this decision covers the time from when we think that the account transactions were Mr S' only. We considered that to be around January 2017.

So, here is a brief table using Nationwide's records about the overdraft facility in place and the credit limits and the corresponding dates. 'OD' refers to 'overdraft'.

OD start date	Overdraft	Review date	Reason by Nationwide
20 December 2016	£3,000.00	20 June 2017	OD increased back to £3,000 by Mr S as no adverse or external or internal performance issues
20 June 2017	£1,850.00		OD partially reduced due to wider financial management concerns
22 December 2017	Altered to £1,855 to accommodate Mr S' overlimit and then scheduled to be reduced to £0	29 December 2017	Adverse credit bureau information  January 2018 the overdraft appears to have been repaid.

From January 2018 the account had a £0 overdraft limit and the account continued to be used and was in credit all through 2017 and 2018.

After Mr S had complained, Nationwide issue its final response letter in December 2020 in which it said that *'We currently have rules in place that highlight persistent gambling which control the ability to apply for and increase overdrafts. These rules have been effective since December 2018, however, as your overdraft ran from June 2009 until December 2017, this means that it pre-dates the implementation of the gambling control rules.'*

Nationwide said it did not agree to Mr S' request that it refund him the interest. Mr S referred his complaint to the Financial Ombudsman in May 2021 and one of our adjudicators looked at it.

Our adjudicator considered that she was not able to assess the original approval of the overdraft as that was reviewed and approved before it became Mr S' sole account. As she considered that the 'start date' should have been January 2017.

In addition, our adjudicator's view was that having looked at the bank statement transactions from January 2017 to December 2017 when the overdraft was removed, she did not consider those revealed elements of any financial difficulty such that Nationwide ought to have been alerted to an issue. She thought this because Mr S was transferring funds regularly into the account, and other regular credits that often cleared the overdraft balance or significantly reduced it. Our adjudicator also considered she had not seen anything to suggest that Mr S had informed Nationwide about his difficulties or problems.

Our adjudicator's view was that she had not seen enough to suggest Nationwide had done anything significantly wrong by continuing to provide him with the overdraft facility.

Mr S' response was that he felt that Nationwide should never have allowed him to use an overdraft for its own financial gain.

The unresolved complaint was 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.

Nationwide will be familiar with all the rules, regulations and good industry practice we consider when looking at whether a bank treated a customer fairly and reasonably when applying overdraft charges. So, I don't consider it necessary to set all of this out in this decision.

Firstly, I agree that we could only consider the complaint from when the account became one held by Mr S alone. That was because we did not receive authority from the original joint account holder to consider the complaint when the account previously was a joint account until around May 2016. Mr S consented to that.

Secondly, I have considered Mr S' complaint about the overdraft facility from January 2017. Mr S had an account jointly with another person. That account became his sole account around May 2016 and our adjudicator's view covered the time from when we think that the account transactions were Mr S' only. We considered that to have been around January 2017. Our adjudicator put this in her view and neither party has objected to it and so it seems reasonable to keep the 'start date' as January 2017.

Thirdly, I must agree with the adjudicator that the original, new overdraft appraisal is not one we can consider as it was when the account was held by Mr S and the other account holder. So, I have not looked at that.

Having carefully considered everything provided, I do not think that Nationwide acted unfairly when it continued charging overdraft interest and associated fees after January 2017.

Mr S' statements during this time would've shown gambling transactions. But considering all the account activity, there wasn't enough to indicate to Nationwide there were signs of financial difficulty that should've prompted it to alter its course. And if anything, Nationwide has demonstrated to me that on occasions it did alter the overdraft limit and did focus on some wider management concerns. Mr S was transferring funds regularly into the account, and there were other regular credits that often cleared the overdraft balance or significantly

reduced it.

Nationwide does not appear to have been informed by Mr S or made aware of any difficulties or problems he'd been experiencing. Therefore, I can't say that Nationwide should've acted differently and that they should've offered help and support during this period.

Having considered everything, I don't think Nationwide treated Mr S wrongly and I do not uphold Mr S' complaint.

### **My final decision**

My final decision is that I do not uphold Mr S' complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 27 May 2022.

Rachael Williams  
**Ombudsman**