

The complaint

Mr O complains that he has experienced intermittent but persistent problems with emails from Nationwide Building Society, since 2020. Mr O says that Nationwide has sought to blame these problems on him, but they're caused by Nationwide, and he wants this fixed.

What happened

Mr O told us he signed up for email correspondence with Nationwide several years ago, as soon as it was possible to do so. And he said this worked well until 2020. But then he stopped receiving email notifications that his credit card statements were ready to view online. He started getting letters instead. Mr O initially thought this was due to a problem with a positive credit card balance at the time, and that this might resolve itself, but it didn't.

Mr O said when he complained, Nationwide gave him a number of possible causes for the problem which he knew weren't true. Nationwide said it had started issuing paper correspondence because it had received notifications that his emails weren't received. But at the same time, it suggested his emails had been caught by a spam filter, and its address needed to be whitelisted.

Mr O said both things can't be true. Either the emails it was sending hadn't been delivered, and Nationwide was notified, of this, or emails were delivered and caught by his spam filter.

Mr O also said Nationwide suggested the problem could be that he'd only just gone paperless, which he hadn't.

Nationwide told Mr O that the problems were a result of changes it had been made to perform on the content within the statement notification emails. These changes were regulatory requirements. But Mr O said Nationwide hadn't explained why this initially only affected one set of notifications.

Mr O said Nationwide also told him this appeared to be affecting account holders with private domain names. Mr O has long operated such a domain name for his emails.

Mr O started receiving email notifications again in October 2020, and he thought that meant the issue was resolved. But the problem started, with missing credit card notifications, in March or April 2021, then it also spread to his current account email notifications too. Mr O said Nationwide admitted that since the changes in March 2020 a lot of private domain name email addresses had become "more sensitive". It repeated the same excuses about whitelists and spam filters, and suggested Mr O should use a different email provider.

Mr O has told us he's very comfortable with IT issues, and he's carried out extensive testing to be sure that none of these problems are at his end. He said the company that provides internet hosting for him has also checked carefully, as best it can without full information from Nationwide, and it has concluded that the missing emails simply aren't reaching it. Mr O has shown us emails evidencing this work done by his internet hosting company.

Mr O said this problem was only affecting some of his emails from Nationwide. It wasn't

affecting marketing emails, or emails about his complaint.

Mr O said this now meant he hadn't received notification of a change to the terms and conditions of his credit card, or information about Nationwide's AGM in time to attend. Mr O said Nationwide shouldn't just change his communication preferences without even telling him about this, and it must ensure that important documentation was safely delivered.

Mr O wanted us to do an in-depth investigation to find out what was going wrong. And he wanted us to challenge Nationwide about why it was using email to send things like AGM voting rights and changes to terms, when it knew there was a problem with delivery.

Nationwide said it was aware some customers were having problems receiving emails following restrictions brought in in 2020. It said it couldn't do anything to fix this, it had given Mr O things to try on his end. It couldn't confirm the emails left its servers, unfortunately, the emails were automated, and millions were sent each day, so there were no screenshots or evidence of the emails going to Mr O.

Our investigator thought this complaint should be upheld, but not quite in the way Mr O wanted. He said Nationwide didn't really know what the problem was. Our investigator was satisfied the problem was with Nationwide's systems, but our service can't make Nationwide change that. So our investigator said he'd done what he could, which was to consider the impact this has had on Mr O, and what Nationwide had done to put things right.

Our investigator noted Mr O preferred not to change his email provider, as Nationwide suggested. So he wasn't getting email alerts for his current account and credit card account statements. He could still access his accounts online to check monthly statements.

Mr O also hadn't received important correspondence. Our investigator said Nationwide knew about problems with Mr O's emails, so it should have sent this by post. And Mr O had been considerably inconvenienced, trying to resolve the problems with his emails.

Our investigator said Nationwide should confirm with Mr O if he'd like to start receiving post again, so that he does receive important account information. And it should pay Mr O £150 to compensate him for the distress and inconvenience it has caused.

Mr O didn't agree. He didn't want compensation, he wanted Nationwide to get to the bottom of things and fix the problem. Mr O also said Nationwide had recently contacted him and told him he was complaining too much, and it needed to stop or he could take his business elsewhere. Mr O said the things he was complaining about were all one issue, and he only kept raising it because Nationwide was just not fixing the problem.

Mr O thought Nationwide might be breaking consumer law by not ensuring key information actually reached him. He thought we should be applying punitive fines to Nationwide.

Mr O said he was very concerned to see Nationwide had now told him it was going to automatically change his account to paperless in future, and would send everything by email. And Nationwide hadn't told him what would happen if he tried to change back to paper, or if this would keep happening to him.

Nationwide also disagreed. It said Mr O had initially complained that when emails stopped reaching him, he started getting correspondence by post. At this point, Nationwide changed Mr O's preferences back to email. That's why the AGM information was sent by email. Nationwide said it had explained to Mr O repeatedly that the problems he was having were probably happening because he is using a private domain. It repeated its previous suggestions about what could have gone wrong, and how Mr O could fix things.

Nationwide said when emails bounce back, it would only send paper statements if there were charges on the account, which it must legally notify Mr O of. If there weren't nothing would be sent. If emails keep bouncing back on an account for six months, then customers are automatically changed to paper statements. This may have affected Mr O. Nationwide said Mr O changed his preferences himself in February 2022 to have paper mailings again. Nationwide didn't think it should have to pay compensation for what had happened here.

Our investigator issued a second view, saying our service is not a regulator, and we can't make Nationwide change its systems. But he still thought Nationwide should pay the compensation he'd proposed. He didn't think it was fair for Nationwide to conclude the problem was caused by Mr O's email service provider.

Our investigator didn't think Nationwide should have changed Mr O's email preferences to paper without telling him. But it seemed that Mr O and Nationwide were now at an impasse about the email issue, so our investigator said it would be reasonable for Nationwide to now communicate by post.

Our investigator understood Mr O was unhappy that Nationwide had suggested he should take his business elsewhere because it can't do any more about the emails. But Nationwide had told us it can't fix this, and if so, and Mr O still wants banking services that are able to use his email domain then that might be the only option for him.

Our investigator still thought that Nationwide should pay Mr O £150 to compensate him for the distress and inconvenience it has caused.

Nationwide agreed to pay in order to resolve the complaint, although it said it hadn't done anything wrong. But Mr O said he wanted an ombudsman to consider this complaint, so it came to me for a full review and then a final decision.

My provisional decision

I issued a provisional decision on this complaint and explained why I did propose to uphold it. This is what I said then:

When this case came to me, I asked Nationwide some questions, to see if a particular solution might work here, and also to find out why Nationwide hadn't already explored such a solution with Mr O. It also wasn't clear that Mr O could revert to paper correspondence, because Nationwide had recently written to him to say it was going to convert him to electronic correspondence (although it knows he doesn't receive this). So I wanted to know whether Nationwide actually proposed to make that change.

The extent and detail of the evidence Mr O provided, and his clear understanding of the issues raised, made me think it was very unlikely that this problem lay at his end. So I asked Nationwide if the problem could one this service was already aware of and that I'd seen before, which is that it isn't caused by Mr O's private domain name, but by something closely associated with it – a very short or generic prefix for an email address. (The widely available nature of public domain names means these sorts of prefixes just aren't found there.)

Nationwide confirmed the third party email despatch company sending the emails which weren't reaching Mr O was the same as the previous instance. But it repeated that this company felt Mr O needed to whitelist its email address.

Nationwide's response on whether it would continue to try to move Mr O to email correspondence was unclear. It said he could set preferences, but didn't clarify whether it would try to amend these for him, or continue to prompt him to do so, in future.

Nationwide said Mr O had made four complaints within twelve months, and this was the first time his domain name had been mentioned. Nationwide said its suggestion that Mr O might like to bank elsewhere was unrelated to the issue of missing emails.

I remain of the view that it's very unlikely the problem is caused by Mr O or his email provider, or that whitelisting (which Mr O says has always been in place) would solve this problem. I set out in detail for Nationwide the evidence it had been able to supply to this service previously, in similar situations, and asked whether such evidence would also be available here.

Mr O told us that the only thing he's complained to Nationwide about is this problem with his emails. So I also asked for more detail on Mr O's complaints since the start of 2020.

Nationwide sent a summary of the complaints Mr O had raised since 2020. It logged three complaints from him in 2020, none of which touch on his concerns about missing emails. It logged this complaint, which our service is now addressing, in April 2021. There are then three further complaints in 2021, only one of which is linked to this issue. So I do think Mr O has expressed more wide-ranging dissatisfaction with the service provided by Nationwide. I don't think it was unfair or unreasonable for Nationwide to highlight that he didn't seem happy with its service, and ask if he wanted to change provider.

Although there's no complaint on Nationwide's list about missing emails in 2020, I do still think it's likely that Mr O did initially raise his concerns about not receiving emails then. Mr O told us Nationwide raised an incident for this at the time, and he gave us a number for this. That number doesn't match the format of the numbers given to Nationwide's complaints. But looking at Nationwide's internal chats about Mr O's case, it does match the numbering system that Nationwide assigns internally. So I do think Mr O told Nationwide about the difficulties he was having with emails in 2020. Nationwide may simply not have recorded this contact as a complaint at that time.

Nationwide also said time constraints meant it was not now able to offer our service the additional evidence which it had been able to provide on a similar issue in the past.

At the same time as I raised my second round of queries with Nationwide, I also suggested to Mr O that he change the email address for a longer prefix on his Nationwide emails, and reinstate email correspondence, to see if this might help. Mr O agreed to try. He said if this was the problem, then it had to be something done by Nationwide. And he didn't want our service to tell Nationwide that we'd asked him to do this – he wanted to see what would happen if Nationwide didn't have an opportunity to force emails through.

Our service didn't tell Nationwide we had asked Mr O to do this. And Mr O has now confirmed that, whilst of course he couldn't be sure that this would be a permanent solution, a longer prefix on his email address had meant he started receiving emails again.

Mr O thought a rule stopping emails being sent to any address with a short prefix was a ridiculous rule to have in place, but he said it was even more ridiculous for Nationwide not to have just told him, and its other customers, two and half years ago, that this was likely to be the problem. He wanted to know how long Nationwide had known this was

really the problem, and had kept this from him, and how many of its other customers had been forced to change domain names. And he stressed the impact of correspondence going missing.

I should make clear here that Nationwide has never accepted in this case that the length of the prefix might be the issue. Although our service has drawn parallels with the previous case where this was the problem, Nationwide still says Mr O needs to whitelist its address or change his domain name. I can however see in internal chats within Nationwide, that it suggested Mr O be told to use a longer prefix, not just initials, on a chat dated 25 May (presumably, 2021).

It does seem most likely that it was the short prefix on Mr O's old email address which caused this problem. I think Nationwide could have suggested this change in May 2021.

I don't think Nationwide now has to change the underlying rule here. That's partly because this does appear to be a security precaution taken by Nationwide's third party email company, and also because the problem appears to be resolved for Mr O. (I should say now that if this problem does recur, Mr O can complain again.)

I understand Mr O is concerned about the wider impact this issue must have had, and may still be having. But our service isn't a regulator, and we don't exist to punish businesses. And I can't make an award on the basis that it will motivate a business to do better in future. When I consider the appropriate amount of compensation in a case, I can look only at the circumstances of that case.

But some of the circumstances of this case include that Nationwide has faced complaints about this problem before. And in those instances, Nationwide has been able to propose a solution to the problem. But here, this problem has been significantly prolonged, because Nationwide didn't do that. And Mr O has been put to a considerable amount of trouble, over a sustained amount of time. He's investigated in depth, trying to find out for himself what's gone wrong. And he's missed out on important correspondence, including for an AGM he would have liked to attend.

Given the length of time that these issues have persisted, in particular, I think that Nationwide should pay Mr O £500 in compensation. I think that provides a fair and reasonable outcome to this complaint, so that's what I currently propose to award.

I invited the parties to make any final points, if they wanted, before issuing my final decision. Both sides have now replied.

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.

Mr O had some comments on the decision, and some points he wanted to clarify. I'm happy to address those for Mr O here.

Mr O said that I'd mentioned a third party email despatch company, and whitelisting their email address. Mr O wanted to know if I meant whitelisting Nationwide's email address (which he had done several years ago) or a separate email address? I can confirm I was referring to Nationwide's email address. Although Nationwide uses a third party to issue some regular emails, those emails are sent from a Nationwide email address.

Mr O said that Nationwide staff repeatedly said they would log verbal conversations as complaints. So if they didn't do that, this wasn't within his control. Mr O said he'd been in constant contact with Nationwide over this issue from when it first arose in 2020. I think I only need note here that my provisional decision above explains why I decided this was likely to be what happened.

Mr O didn't think enough was made of the comments he received from his email supplier to suggest that the length restriction on email prefixes wasn't a justified practice. Mr O said this wasn't a security precaution, just something one company has unjustifiably implemented.

I said in my provisional decision that this did appear to be a security precaution taken by Nationwide's third party provider. And I said, in the context that this problem does now appear to be solved for Mr O, I didn't think Nationwide needed to change this. I note Mr O's views, and those of his email server company, but I don't think it's appropriate for me to comment more widely here on Nationwide's approach to email security.

Mr O said he had no recollection of a chat conversation where he was told to use a longer prefix for his emails. I can see that our investigator has explained that this chat was an internal document Nationwide had sent us. Mr O has confirmed that Nationwide never suggested this to him. And that has always been my understanding in this case.

Mr O then wrote again to say that for a second month in a row, both notification emails had arrived. So he did think it was the length of his email prefix which had previously caused the problem. He thanked our service for the work we'd done to resolve this for him. I appreciate Mr O's kind words, and I'm glad to hear that things seem to be working for him. I would like to thank him, in turn, for working with our service to resolve this.

Nationwide also wrote in response. It said it had taken the opportunity to review, and had decided to change its position.

Nationwide said it had now discussed specifically with its technology team whether the short prefix could have been the cause of the problem, and that team had confirmed this could have been the problem.

Nationwide said when it initially looked at this, in May 2021, it could only see that Mr O had been unsubscribed from emails, and reactivating someone's emails usually solves the problem. But as the issue appeared to be the short prefix on his email address, that didn't work here. And Nationwide accepted that it hadn't suggested to Mr O that he change his email prefix in May 2021.

So Nationwide accepted that it had taken many months between May 2021 until July 2022 for Mr O to resolve the issue and start receiving emails again. Nationwide said it was happy to pay the £500 compensation that I had suggested.

I should make clear that I haven't changed my view on when Mr O first reported this problem, which I think is likely to have been in 2020, as he said, not May 2021. And I think that, given his comments above, Mr O might wish me to note that Nationwide not only did not suggest in May 2021 that he might be able to solve this problem by changing his email prefix, it doesn't appear to have suggested or accepted this at any point before now.

For the reasons set out above, I haven't changed my mind. I'll now make the decision I originally proposed.

My final decision

My final decision is that Nationwide Building Society must pay Mr O £500 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 21 October 2022.

Esther Absalom-Gough
Ombudsman