

## **The complaint**

Miss S complains that Nationwide Building Society was late releasing the funds for her mortgage on the day of completion, so she wasn't able to complete her purchase that day.

## **What happened**

Miss S said Nationwide sent her a text and email the day before her house sale and purchase were due to complete, saying that the funds for her mortgage were ready and would be available. Miss S also told us she'd planned this move very carefully to reduce the impact on her family, and she explained why that was so important in their circumstances. But she said that on the morning of her move, the funds hadn't been released, and she spent hours on the phone trying to find out why not.

Miss S said the funds were eventually released that day, but too late for her purchase. Her sale had completed, so she was left homeless until the next day, when her purchase was done. She said she had to make emergency arrangements to house all her belongings on a Friday night, and wasn't able to get them to her new home until the following Monday. She said that despite her careful plans, the move impacted her family significantly.

Miss S said Nationwide had offered to refund the extra moving costs she paid, and to pay £350 in compensation. But she said she'd turned that down, it wasn't enough to make up for what had gone on.

Nationwide said it took responsibility for the late release of funds, but it wanted Miss S to know that this wasn't initially Nationwide's fault. It said it didn't receive a Certificate of Title ("COT") form from Miss S's solicitors until the day before completion, although Nationwide says it needs at least 48 hours of notice to transfer funds. And it hadn't received a full response to some of its concerns over the value of the property until 19 May, when it received a solicitor's letter dated 17 May, for its valuer to review. Nationwide said it usually has an eight working day turnaround for such letters, but in this case, it reviewed the letter faster, in order to have funds available for Miss S on 27 May.

Nationwide still thought it should have had the funds available for Miss S's solicitor by 12pm on 27 May 2022, and it said it was very sorry that things had gone wrong.

Nationwide has sent Miss S a cheque for £1,257.76, which it said was to cover all the costs she'd incurred, plus some interest, and £350 in compensation as an apology. -

Our investigator thought this complaint should be upheld, and Nationwide should increase its compensation payment to £450. She said she agreed the COT was not received with sufficient notice to release the funds, but she thought Nationwide had caused avoidable delays, which in turn caused the delay in the COT being submitted.

Our investigator said Nationwide's valuers had to resolve a concern over the property, and she thought that Nationwide had all it needed on that by late March. But the referral to its valuers wasn't done until 23 May. Our investigator thought that this was why Miss S's

solicitors weren't able to complete the COT. So our investigator thought Nationwide should pay Miss S the costs it had already offered to cover, plus £450 in compensation.

Miss S didn't agree. She said Nationwide contacted her the day before the move to say the funds were ready. That shouldn't have happened, and was evidence that Nationwide's internal departments hadn't communicated with each other. She said if the relevant departments were talking to each other, Nationwide would have identified the missing information.

Miss S said Nationwide saying that the usual process is 48 hours of notice was irrelevant to her as a customer. This wasn't her mistake. Miss S wanted an ombudsman to consider her complaint, because she felt that what had been offered didn't compensate for the stress and cost to her mental health Nationwide caused that day.

Nationwide said it wouldn't agree that it had all of the information it needed for its valuer by late March. It sent us a letter from Miss S's solicitors, with an attached indemnity policy. This was dated 17 May and Nationwide said it was received on 19 May. So there were still issues outstanding long after our investigator suggested things were resolved.

But Nationwide said it did accept there were service issues with the completion and releasing of the funds, so it would pay the additional £100 our investigator suggested.

Because Miss S had requested it, this case then came to me for a final 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've reached the same overall conclusion on this complaint as our investigator.

Miss S told us Nationwide contacted her to say her funds were ready on 26 May. But it looks from the internal notes I have seen as if her solicitors were still asking about this late on 26 May, and indeed early on 27 May. Those notes suggest Miss S's solicitors were told, late in the working day on 26 May, that Nationwide wasn't ready, because it was awaiting a response from its external valuer. I would have expected these concerns to be passed on to Miss S, so that she would always have been aware that her purchase might not go ahead the following day.

I think that this would still have been an enormously stressful time for Miss S. And I would not seek to make light of this. But I can't say it's Nationwide's fault if she had expected the money to be released on 27 May, and her solicitors hadn't let her know about the problems she was likely to face.

Nationwide has pointed to two reasons why things didn't go smoothly – the late COT, and the outstanding concerns about the property which were with its valuer to review. It told us about the timescales it has in place for receiving confirmation from a valuer that arrangements for dealing with a concern about the property (such as an indemnity) are satisfactory. And it's told us about the timescales it has for arranging the release of funds and a transfer to the conveyancing solicitor.

The COT is an important document –because it tells Nationwide where to send the money, but also because it provides the final go-ahead from Miss S's solicitors for the whole purchase to go ahead and the mortgage to be taken out. And I can see Nationwide specifies,

on its mortgage offer conditions, that it requires a minimum of 48 hours' notice for a transfer of mortgage funds. I can see, from the date and time on the fax header for the COT, that Nationwide didn't get that much notice.

Miss S says this just isn't relevant to her. But I think it is – because when I think about what went wrong here, I have to bear in mind that at this point, Nationwide could simply have refused to complete the following day. Under the terms of the offer it had made, Nationwide didn't have to agree to release money with less than 48 hours' notice.

But Nationwide seems to have tried hard to do so. It didn't do this as quickly as it wanted to, but it did manage to speed things up so that funds were released on the agreed day.

I know Miss S says the money was sent too late to allow all the transactions in the chain to go ahead. But I also have to bear in mind that it could equally be argued Miss S's completion finally failed because some of the solicitors involved seem to have gone home promptly on a Friday night, rather than stay and complete what Miss S told us was the last purchase in the chain. What Miss S has said makes me think that if that hadn't happened, her purchase could still have gone ahead, despite Nationwide's failure to release funds earlier.

We know Nationwide has accepted some responsibility for what went wrong. It's offered to pay a total of £1,357.76 which includes money to cover the extra costs Miss S incurred, and compensation for what went wrong.

I know Miss S has told us about the particular circumstances of her family, which meant the impact on them was much more severe, and she says that what's been offered isn't enough to make up for that. I have considered that carefully, and as I've said, I would not seek in any way to make light of the experience she and her family have had. But I haven't been able to see that all the things that have gone wrong here are Nationwide's fault. For that reason, I think the offer Nationwide has now made does provide a fair and reasonable outcome to this complaint, and that's what I'll award.

Nationwide has already sent Miss S a cheque. I don't know if that's been cashed, so I will award the full amount of that cheque, plus the additional £100 that our investigator suggested, and which Nationwide has already agreed to pay. And I'll allow Nationwide to count any money that it has already paid towards that amount. That means, if Miss S has cashed this cheque, Nationwide will only need to pay £100 now.

### **My final decision**

My decision is that Nationwide Building Society must pay Miss S a total of £1,357.76 for this complaint. Nationwide Building Society can count towards that amount any payment it has already made to Miss S for this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 26 January 2023.

Esther Absalom-Gough  
**Ombudsman**