

The complaint

Mr H complains that Nationwide Building Society gave him incorrect information about a 0% balance transfer offer.

What happened

Mr H says that when he initially opened his Nationwide account, in November 2021, he was unable to process a balance transfer due to a system error. He says that, due to personal circumstances, he then didn't contact Nationwide until 22 February 2022 when he was told he could action any balance transfers, at 0% interest, until the following day. Mr H says he requested the transfer of one of his credit card balances, for which he was told he'd be charged a fee of £49.76, and called back the next day to transfer the other balance. He says he was then told that the date to make a transfer had passed and he was paying 24.9% APR, not 0% APR as previously advised. Mr H says he wants Nationwide to honour the 0% balance transfer deal and adds that he was actually charged a fee of £79.62 for the transfer. He adds that it would impact his credit file if he was forced to apply for another 0% balance transfer card.

Nationwide says Mr H was misadvised about a balance transfer in a call on 22 February 2022. It says that he was told he was still within time to benefit from a 0% offer, but, in fact, that was incorrect as he needed to make any balance transfers within 90 days of opening the account to be eligible for the 0% offer. It says Mr H complained when he called the following day to make a second balance transfer and was told he was outside the 90-day timescale. Nationwide refunded the interest payments Mr H had incurred up to April 2022 and waived any further interest charges for two months to allow him to recall or transfer the balance. It paid him £100 for the distress caused and added that there had been no impact on Mr H's credit file.

Mr H did not accept the offer and says he wants Nationwide to honour the 18-month 0% balance transfer offer, refund all the interest and pay more compensation than the £100.

Our investigator recommended the complaint should be upheld in part. He was satisfied Nationwide acted fairly by refunding and waiving interest charges but found that the compensation should have been higher than £100 given Mr H had incurred a transfer fee of £79.62. He recommended that Nationwide should pay Mr H a further £100.

Nationwide responded to accept the recommendation.

Mr H responded to say, in summary, that as our investigator recommended the complaint should be upheld, he can't understand why that would not include honouring the 0% balance transfer offer. He adds that he wants all the interest refunded and further compensation.

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.

When considering complaints, this service strives to put a customer back into the position in which he'd have been if the act (or omission) had not happened.

In this case, I need to consider the position Mr H would have been in, had he not been given incorrect information during the call on 22 February 2022.

Mr H opened his credit card account on 20 November 2021 and had 90 days in which to transfer any balances to take advantage of the 18-month 0% balance transfer offer. The 90 days expired on 18 February 2022 and so, when Mr H called on 22 February 2022, Nationwide should have told him that the offer was no longer available to him.

When Mr H called again on 23 February 2022 to make a second balance transfer, he was only then told he wasn't eligible for the 0% transfer offer and so he decided not to transfer a second balance. Therefore, I'm satisfied that had he received the correct information on 22 February 2022 he would have made the decision not to transfer the balance.

So, as Mr H would never have received the 0% offer for 18 months, I cannot agree that that would be a fair resolution to this complaint.

However, I do find that Mr H has been negatively impacted by the incorrect information, so I now need to decide whether the offer Nationwide has already made is fair and reasonable in the context of trying to put Mr H back into the position he would have been in.

Had Mr H decided not to transfer the balance, which I think is the most likely outcome, he:

- Would not have accrued interest on the balance;
- Would not have incurred a balance transfer fee;
 - I note that he was initially told this would be £49.76 as the fee was 1.5% within 90 days, but was actually charged 2.4% (£79.62) as this was the fee for transfers after 90 days;

Nationwide refunded the interest Mr H incurred in March 2022 (£33.42) and April 2022 (£66.99) and waived any further interest charges for two months. I find this is reasonable in the circumstances as this effectively gave Mr H four months at 0% interest that he would not have received had he kept the balance on his existing card. I also find it was fair to give Mr H the two additional months interest free to enable him to move the balance to another interest-free card if he chose to do so.

I accept Mr H says he has incurred further interest that he wants to be refunded, but I find he had sufficient opportunity to mitigate such losses during the two-month interest-free period when Nationwide waived interest. So, I don't find Nationwide did anything wrong by reverting to the standard interest rate and I can't agree it should now refund these additional charges.

However, I do agree that Nationwide's payment of £100 compensation is on the low side given the balance transfer fee of £79.62. So, I do uphold this aspect of Mr H's complaint and I find Nationwide should pay him an additional £100 for the issues its mistake caused.

My final decision

My decision is that I uphold this complaint in part. Nationwide Building Society should pay Mr H an additional £100 for the distress and inconvenience it caused by giving him incorrect information, as it has agreed to do.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 27 March 2023.

Amanda Williams
Ombudsman