

## **The complaint**

Mr W is unhappy that Nationwide Building Society failed to update his address on his credit card account which he feels resulted in him not being aware of the minimum monthly payment amounts that were due on his account and in him incurring adverse reporting on his credit file when he didn't then make those minimum monthly payments.

## **What happened**

Mr W updated his address with Nationwide in January 2021, but while Nationwide updated the address on Mr W's other accounts, they failed to update the address on his credit card account. This meant that Mr W didn't receive monthly statements for his credit account from that time. Mr W was also told by Nationwide that he wouldn't be able to update his address on his credit account over the phone, but instead would have to visit a Nationwide branch.

Because Mr W wasn't receiving monthly statements for the credit account, he didn't know what his minimum monthly payments should have been and so guessed the amounts that he should pay. However, he later learned that Nationwide had reported missed and late payment markers to his credit file because the monthly minimum payments hadn't been made by him in line with what was required on his account. Mr W wasn't happy about this and felt he'd only incurred the adverse reporting because Nationwide hadn't updated his address correctly. So, he raised a complaint.

Nationwide looked at Mr W's complaint. They accepted that they hadn't updated Mr W's address on his credit account when they should have done, and they apologised to Mr W for this and made a payment of £150 compensation to him for the trouble and upset he incurred. However, Nationwide felt that it had still been Mr W's responsibility to have made the monthly minimum payments that had become due on the account, and that Mr W could have monitored his account via other channels beyond his monthly statements in order to correctly understand the minimum amounts he needed to pay. So, they didn't uphold that aspect of his complaint. Mr W wasn't satisfied with Nationwide's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they felt the response to Mr W's complaint issued by Nationwide – including the £150 compensation for not updating the address and that Nationwide hadn't upheld the further aspects of Mr W's complaint – already represented a fair outcome to what had happened. Mr W continued to be dissatisfied, so the matter was escalated to an ombudsman 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 issued a provisional decision on this complaint on 22 December 2023 as follows:

*It's clear that Nationwide didn't update Mr W's address on his credit card account when they should have done in January 2021, and that this resulted in Mr W not receiving his monthly credit account statements to his new address.*

*Mr W feels that because he wasn't receiving his monthly credit account statements resultant from Nationwide's error, that he shouldn't be considered accountable for his not making accurate payments towards his credit account – given that it was from the statements that he learned of the minimum monthly amount he needed to pay.*

*I can appreciate Mr W's position here, to a degree. But ultimately, Mr W as the credit account holder was responsible for meeting the contractual payment obligations on the account, and so I feel that if Mr W wasn't receiving his monthly account statements – for whatever reason – then it was incumbent on him to have confirmed what the monthly minimum payment due on the account were via other channels – which could potentially have included via telephone or via online banking.*

*But Mr W didn't do this, and instead by his own admission he made payments towards the credit account that were estimates of what he thought the minimum monthly payment might be. And so, it stands to reason that if Mr W underestimated the minimum monthly payment due for any given month that his account would then fall into arrears because the minimum monthly payment required contractually hadn't been made.*

*This is what happened here. And given Mr W's responsibilities as the account holder as previously mentioned, I feel it's fair that he should have incurred the contractual charges and adverse credit reporting that he did as a result. So, I won't be instructing Nationwide to take any corrective action regarding these points.*

*However, Nationwide's ongoing failure to update Mr W's address hasn't helped matters here. And I note that it was only in January 2022, when Nationwide responded to Mr W's complaint, that Nationwide took the proactive action of updating Mr W's address on his credit card account for him as it should have been updated a year earlier.*

*It's difficult to understand why Nationwide took so long to update Mr W's credit account address, especially as they themselves told Mr W that his credit card address hadn't been updated in error in March 2021. And I feel that if Nationwide had simply rectified their error in March 2021, and updated Mr W's address as it already should have been updated, then it's highly likely that matters here wouldn't have progressed as they did.*

*As explained above, I don't feel that Nationwide's error in this regard absolves Mr W of his responsibilities as the account holder, and ultimately, I feel that both Nationwide and Mr W haven't acted as they reasonably should have here.*

*But, given that I feel that Nationwide could and should have simply updated Mr W's address much earlier than they eventually did, I don't feel that the £150 that Nationwide have paid to Mr W as compensation for not updating his address is fairly reflective of the impact that Nationwide's failure to update Mr W's address has had in this instance.*

*So, my provisional decision here is that I'll be upholding this complaint in Mr W's favour on this limited basis only and instructing Nationwide to make a further payment of £350 to Mr W, taking the total compensation amount payable to £500,*

*which I feel is more fairly reflective of the impact that Nationwide's failure to update Mr W's address has had.*

In my final decision letter, I gave both Mr W and Nationwide the opportunity to provide any comments or new information they wanted me to consider before I moved to issue a final decision. Nationwide didn't respond, while Mr W did provide some points for consideration.

Mr W asked me to consider whether any charges or interest may have been incurred by him because of Nationwide's failure to update his address, and if so whether those charges and fees should be reimbursed back to him.

However, as explained in my provisional decision letter, while I am instructing Nationwide to increase the compensation payable to Mr W for the upset and inconvenience Mr W may have incurred for Nationwide not updating his address, I don't feel that Nationwide not updating Mr W's address absolved him of his responsibilities as the account holder – which include the monitoring of the account, which I feel Mr W could reasonably still have done via online, telephone, or other alternative channels in the absence of receiving letters.

Because of this, I feel that if Mr W did incur any charges or fees, I wouldn't reasonably consider that these charges or fees were as a direct consequence of Nationwide not updating Mr W's address, but instead were as a consequence of Mr W not meeting his responsibility to monitor his account, which I'm satisfied remained incumbent on him despite the inconvenience he was experiencing in not receiving posted correspondence.

All of which means that it remains my position that I feel a fair outcome to this complaint is that Nationwide should be instructed to pay a further £350 compensation to Mr W, as explained in my provisional decision letter. I therefore confirm that my final decision is that I do uphold this complaint in Mr W's favour on that basis.

### **Putting things right**

Nationwide must pay a further £350 compensation to Mr W, taking the total amount of compensation payable to £500.

### **My final decision**

My final decision is that I uphold this complaint against Nationwide Building Society on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 17 February 2023.

Paul Cooper

**Ombudsman**