

The complaint

Mr B is unhappy that Nationwide Building Society didn't credit transfers into his account in a timely manner which led to a delay in Mr B completing two property purchases.

What happened

Mr B, who resides overseas, travelled to the UK to arrange the purchase of two houses which he intended to rent out. While in the UK, Mr B instructed two transfers from his overseas bank account to his UK Nationwide account – of approximately £16,000 and £18,000 respectively – which Mr B intended to use towards the property purchases.

However, a technical fault at Nationwide meant that these transfers weren't received into Mr B's UK account when they should have been but were instead received approximately three and a half weeks later. This meant that Mr B couldn't purchase or subsequently rent out the properties when he wanted to, and that had to leave the UK before the property purchases could be completed. Mr B wasn't happy about this, so he raised a complaint.

Nationwide looked at Mr B's complaint. They acknowledged that a fault with their systems had caused the receipt of the transfers to be delayed, and they apologised to Mr B for this and offered to pay £350 to him as compensation for any trouble and upset he may have incurred, as well as 8% simple interest on the transfer amounts for the time that the money hadn't been available to Mr B. Mr B wasn't satisfied with Nationwide's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. They agreed that Nationwide should pay 8% interest on the transfer amounts but felt that Nationwide should increase their offer of compensation to £500. Our investigator also said that Nationwide should reimburse Mr B's travel costs but didn't feel that Nationwide should compensate Mr B for loss of rental income as he wanted. Mr B remained 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 8 February as follows:

I'd like to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such. This means that it isn't within my remit here to declare that Nationwide have acted in a non-regulatory or unlawful way. Such declarations would be for a regulatory body or a Court of Law to potentially make. Instead, this service is an informal dispute resolution service with a remit focussed on fairness of outcome as considered from an impartial perspective.

Nationwide don't dispute that an error with their systems caused the receipt of the overseas transfers into Mr B's account to be delayed. What is in dispute here is what

actions Nationwide should take regarding the delayed receipt of those transfer amounts by Mr B.

It's my understanding that Mr B feels Nationwide should reimburse him for the travel and holiday costs he incurred of £16,000 – given that he wasn't able to complete the property purchases during his time in the UK – and for the loss of rental he incurred on both properties because of the delays in completion brought about by the delays in the receipt of the transfers. Mr B would also like Nationwide to reimburse him for the cost of calling the UK when he did have to return overseas before the purchases completed and doesn't feel that either the 8% interest or the £500 compensation amounts recommended by our investigator go far enough in addressing the impact of these events on him.

Considering the interest to be paid by Nationwide on the transfer amounts first, I can confirm that 8% is an industry standard amount which this service also uses. As such, I'm satisfied that the payment of 8% annual interest by Nationwide on the transfer amounts, calculated daily and payable for the days that Mr B didn't reasonably have access to the transfer amounts, is a fair and reasonable resolution to this aspect of Mr B's complaint.

In consideration of Mr B's request that Nationwide should reimburse him for his travel costs because he wasn't able to complete the purchase of the houses as he intended during his time in the UK, I don't feel that Nationwide should be instructed to reimburse these costs as Mr B would like.

This is because Mr B travelled to the UK on 7 May 2022, and then instructed the overseas transfers while already in the UK, on 19 May and 26 May respectively. As such, I don't feel that it can be reasonably said that Mr B wouldn't have incurred the costs of travelling to the UK if the transfers hadn't been delayed – as would need to be the case for me to consider instructing Nationwide to reimburse those costs – because he was already in the UK when he instructed the transfers and had been for approximately two weeks.

However, while I'm satisfied that Nationwide shouldn't fairly be instructed to reimburse Mr B's travel costs to him, I do feel that Mr B should be compensated for not being able to achieve the completion of the property purchases while he was in the UK, and I will address this point later in this letter.

Similarly, I also don't feel that Nationwide should reasonably be instructed to make a payment to Mr B for rental income losses as he claims. This is because for me to consider instructing such a payment, I'd need to see evidence that rental agreements were in place for the time that Mr B is claiming for. But it's my understanding that no such rental agreements were in place for that time, and that the properties were only marketed for rent after completion – which took place on 28 June 2022 – and after the houses were decorated, with rental agreements being reached on 18 August and 29 September 2022 respectively.

I hope Mr B will understand, given that no rental agreements were in place for the period of the transfer delays, why I don't feel that it can be guaranteed that he would have received rental income for the period which he is claiming, and therefore why I don't feel that Nationwide should fairly be instructed to reimburse him for those claimed losses.

What I do feel that Nationwide should reasonably be expected to reimburse Mr B for are the costs he incurred when calling the UK from overseas once he had left the UK.

This is because, if Nationwide hadn't delayed the receipt of the transfers, then the house purchases would have been completed while Mr B was still in the UK, meaning he wouldn't have needed to incur the cost of calling the UK having returned overseas that he did.

However, to verify and calculate these costs, Mr B would need to provide an itemised phone bill so that the exact cost of the calls he made to the UK can be accurately demonstrated. As such, my provisional instruction to Nationwide here is that they must reimburse these costs to Mr B upon receipt of such an itemised telephone bill from Mr B, whereby the costs of each individual call can be seen and added up.

Finally, it's unquestionably the case that Mr B has incurred upset, and inconvenience for which I'm satisfied he should be compensated. This includes that Mr B couldn't complete the purchase of the houses while he was in the UK, and that he was worried for a time that the transferred money might not be available before the deadline for the completion of the property purchases, which meant he was for a time at risk of losing a sizable deposit.

Matters of compensation can be subjective, but I feel that the £500 as recommended by our investigator is a fair amount here, and so I'll be provisionally instructing Nationwide to pay this amount to Mr B. In taking this position I've considered the impact and effect that these events have had on Mr B, as he's described them to this service, as well as the outcome of those events – including, for instance, that Mr B did complete the property purchases on time – and the general framework which this service uses when considering awards for trouble and distress, further details of which can be found on this services website.

To summarise, my provisional instructions to Nationwide are that they must pay Mr B 8% simple interest on the transfer amounts for the time that the transfers were delayed and must also make a payment of £500 to Mr B as compensation for the trouble and upset he's incurred. Nationwide must also reimburse Mr B the costs of any calls to the UK he had to make following his return to his home overseas, on the condition that Mr B provides an itemised phone bill which would allow those costs to be isolated and calculated.

Mr B expressed his dissatisfaction with my provisional decision and felt it wasn't reasonable to expect him to provide copies of tenancy agreements to prove rental losses for properties he didn't own and was in the process of buying.

I can appreciate Mr B's strength of feeling here, but it's for the very reason – that Mr B was in the process of buying the properties and so didn't have tenants in place – that I don't feel it's reasonable to award consequential loss as Mr B would like here. In short, this is because Mr B is assuming that the properties would have been let. And I wouldn't consider awarding consequential loss – which this service defines as a definite loss that can be directly attributed to the consequences of a business' actions – on the basis of an assumption.

Mr B is also unhappy that I didn't provisionally instruct Nationwide to reimburse his travel costs to the UK. But Mr B was always going to come to the UK, and so I don't feel that Nationwide should fairly be asked to reimburse those costs as Mr B would like.

The consequences of Nationwide's actions here were that Mr B couldn't complete the property purchase while he was in the UK. So, it seems fair to me that Mr B should be compensated for the trouble and inconvenience he incurred while having to complete the property purchase having returned overseas. This is why I'm instructing the £500 compensation and reimbursement of itemised calls to the UK as I am. And while I appreciate

that Mr B might like a larger amount of compensation to be instructed here, I continue to feel that £500 is a fair and reasonable amount, for the reasons previously explained.

Finally, Mr B has reiterated his position on several other aspects of his complaint but hasn't provided any new information regarding these points such that my position on them remains unchanged.

All of which means I remain satisfied that the resolution I reached in my provisional decision is a fair and reasonable outcome to this complaint. I therefore confirm that my final decision is that I uphold this complaint in Mr B's favour on that basis accordingly.

Putting things right

Nationwide must pay 8% simple interest on the transfer amounts for the time that the transfers were delayed.

Nationwide must also make a payment of £500 to Mr B as compensation for the trouble and upset he's incurred here.

Finally, Nationwide must reimburse Mr B the costs of any calls to the UK he had to make following his return to his home overseas - on the condition that Mr B provides an itemised phone bill which would allow those costs to be isolated and calculated.

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 B to accept or reject my decision before 10 April 2023.

Paul Cooper
Ombudsman