

The complaint

Ms C complained that when Nationwide Building Society set up her remortgage, it used incorrect bank details, and didn't send a payment of £500 cashback she was expecting. She also complained that its information was poor, and about how difficult it had been to contact.

What happened

Ms C said she transferred her mortgage to Nationwide in summer 2022, but things hadn't gone smoothly. She said Nationwide didn't send her the information she expected on the transfer, she only got this weeks later. And she said Nationwide had been extremely difficult to contact, as its helplines weren't open during the full advertised hours. So she'd repeatedly called only to be told the line was closed, and promised call-backs hadn't been made.

Ms C said she'd asked both her solicitor and her broker to update her bank details with Nationwide, but Nationwide hadn't updated the details. She said she managed to do this herself, on a call on 2 August. But she'd not received £500 of cashback that she was expecting for moving her mortgage to Nationwide. She was eventually told this had been sent, but not to the right account. She said she still didn't have it, and was now missing out on interest that money could have earned.

Nationwide hadn't responded to Ms C's complaint before the case reached us, but when it was referred to us, Nationwide sent us Ms C's original application form. That did have the wrong bank account details, for an account she'd closed the year before. (Ms C wasn't expecting Nationwide to have these particular account details. We now know this mistake was made by Ms C's broker, although this wasn't clear until sometime later.) Nationwide also shared with our service a letter of 3 August which told Ms C Nationwide had set up her direct debit using the correct details. Nationwide said it was only made aware of the change to Ms C's account information on 3 August 2022, and showed us contact notes to illustrate that this information hadn't been passed to it earlier by either Ms C's solicitor or broker.

Nationwide listed the correspondence it had sent to Ms C and her solicitor. It said her mortgage offer was issued on 5 April 2022 and letters were sent to Ms C and her solicitor to agree a date for the remortgage to complete. The certificate of title was received 25 July 2022, requesting funds on 29 July 2022. Funds were sent on this day and an email was sent to Ms C to say her mortgage had completed. A letter was sent 2 August 2022 to welcome Ms C to her new mortgage with Nationwide.

Nationwide said it would check if the expected cashback had been paid, and it didn't comment on Ms C's allegations about how difficult it had been to contact.

Ms C said she still hadn't received the cashback. Our investigator checked, and Nationwide thought at this stage that it hadn't been sent. It later confirmed it had been sent, but didn't clarify that this had happened quite some time earlier.

Our investigator thought this complaint should be upheld. He said Nationwide hadn't been made aware of the change of bank details before Ms C called. And she'd received a letter about her new mortgage within a few days of it completing. But he thought that Nationwide

had only recently paid the cashback to Ms C. So he thought Nationwide should provide £100 compensation for the long delays Ms C faced in receiving her cashback and for the poor service she received – being unable to contact Nationwide on several occasions during the stated operational hours, which he thought had added to her frustration.

Ms C replied to say she hadn't received this cashback. Our investigator told her Nationwide had confirmed it was sent, and he shared the bank details Nationwide had used. But Ms C said those weren't her bank details.

Nationwide then said that the payment had actually been made some months earlier, and confirmed those were the details it held for Ms C at the time.

After some investigation, it emerged that Ms C's broker appears to have given the wrong account details to Nationwide when he processed her mortgage application. There had been some confusion about this. Ms C had given her preferred account details to her broker then closed and switched this account in July 2022, so she knew her details needed to be updated with Nationwide. But the details Nationwide held weren't the details she'd given her broker as part of this application. Nationwide had details of a different account, which had been closed and switched in 2021, well before the Nationwide mortgage application was made. The broker appeared to have carried forward this outdated information from a previous mortgage application.

Ms C said that not only were these account details not checked by Nationwide at the time of her application, but the details for payment of cashback apparently weren't updated when Ms C gave Nationwide her new account details, and it updated her direct debit information.

Our investigator noted that although Nationwide hadn't checked the account details it received were active, this mistake didn't originate with it. Ms C's new bank had found a payment of the right amount, but to add to the confusion, Ms C said it had told her that this payment wasn't from Nationwide, so couldn't be her cashback.

Our investigator asked Nationwide to make this payment again, and it said it wouldn't. It said it had sent the payment to Ms C's account, using the account details it had been given by her broker, on 8 August 2022. And it said it hadn't had this payment back. It also wouldn't pay the £100 in compensation that our investigator recommended, because it didn't think it had made a mistake.

Our investigator said Nationwide should have updated all Ms C's details in early August, when it updated her direct debit account. And he repeated that Nationwide should send this money now. Nationwide then said it could show this money had been forwarded on to the account Ms C had switched to in 2021. It said this happened on 9 August, although that bank still said it hadn't received any money from Nationwide.

Ms C said she would accept that the payment of £500 she could see in her new account must have come from Nationwide after all, although her new bank was still insisting the payment came from elsewhere.

Our investigator then summed up the position for both sides, saying he'd previously said Nationwide should pay £100 compensation for delays in providing the cashback and also for the customer service Ms C received. He'd since received confirmation that the cashback was sent in August 2022, so the point regarding the cashback being delayed no longer stands. However, because Nationwide had sent the payment to outdated bank details, and delayed in confirming that the cashback was actually sent in August, he still thought that a payment of £100 in compensation would be fair. He noted that Ms C had spent a significant amount of time trying to resolve this issue from her side and had waited a total of six months

to finally be told what exactly happened with the funds.

Nationwide wouldn't pay that. It said Ms C would have seen this payment on her new bank account statements at the time. And it hadn't been asked to update the payment details for Ms C's cashback, when Ms C gave it new account information for her direct debit. The cashback just wasn't discussed on that call. Nationwide didn't agree that it had delayed confirming where the cashback was paid to, and wouldn't pay compensation.

Ms C also replied to our investigator's summary. She said that although the mistake over the account details had originally been made by her broker, if Nationwide had checked then it would have seen this account was closed. And she said if Nationwide had been able to provide a reference number for the transaction she wouldn't have had to take time off work to go to two banks, and get statements for closed accounts. She also said Nationwide should have updated all her details when she asked it to.

Our investigator said the original fault with the account details wasn't Nationwide's, but he agreed that Nationwide should have updated all Ms C's bank details on 2 August. And it had taken Nationwide a significant amount of time to confirm the cashback had been sent and not returned, which had caused Ms C inconvenience, although it would also clearly have been easier for Ms C if her new bank hadn't told her this payment of £500 at around the right time had come from somewhere else, definitely not Nationwide.

Because no agreement was reached, this case was passed to me for a final decision. I then reached my provisional decision on this case.

My provisional decision

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

Ms C complained about the contact she had from Nationwide when she remortgaged with it. Nationwide has listed the letters it sent, and I do think it did enough to tell her about the new mortgage account it was setting up for her.

Ms C understood Nationwide had the wrong account details for her – although she didn't realise then exactly how this had gone wrong. So she gave it new details. Like our investigator, I think these details should have been applied across the board then, and Ms C's cashback should have been paid to this account. I know Nationwide says it didn't discuss payment of her cashback on a call to change her direct debit details, but I don't think Ms C should have had to specifically request that those details also be amended, on the call she made to tell Nationwide the old account was closed.

I accept that a considerable amount of the confusion I can see here has been caused by mistakes apparently originating with Ms C's broker, and with her new bank. But I think some of the confusion was also caused because Nationwide didn't confirm promptly and clearly for our service whether the cashback payment had been made, if so, when, and whether it had been returned. And, importantly, I think that all of the confusion over the cashback payment could have been avoided if Nationwide had just used the new details it had received about a week earlier, when it made this payment.

Ms C told us how difficult she found it to contact Nationwide. Nationwide doesn't appear to have dealt in detail with this point, but I can see that webchats with it record she complained that the number Nationwide had given her to call its mortgages team wasn't answered after 5pm, although it was advertised as open until 6pm. Nationwide gave her another number, but it appears this wasn't answered either. Nationwide doesn't seem to

me to have contested that it was, at that time, difficult to contact. So I think it's more likely than not that, whether or not this problem persists now, Ms C did find it very difficult to get in touch with Nationwide during the later part of its advertised opening hours, when she was trying to make her complaint. I have taken this into account in my assessment of this complaint.

For the above reasons, I do think Ms C has received some poor service from Nationwide, because it sent her cashback payment using old account details which Ms C had already acted to replace, because it hasn't always been contactable during its advertised hours, and because it didn't clarify promptly when and where her cashback payment was sent, as well as whether it had been returned or redirected. For these reasons, I propose to ask Nationwide to pay Ms C £200 in compensation. I think that would provide a fair and reasonable outcome to this complaint.

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

Nationwide said it had nothing to add. Ms C replied to mention some further points.

Ms C said that the funds sent to her solicitor by Nationwide weren't to a closed account - they were to an open account she was then using. Ms C thought this showed Nationwide did hold other correct and fully functioning bank account details for her when the settlement was made. So she said she had no reason to suspect Nationwide held closed and incorrect bank account details for her.

What Ms C has said, indicates that the funds from Ms C's mortgage were released to her solicitor, not paid directly to Ms C. And I think it's likely that her solicitor then forwarded those on to Ms C, using bank details that the solicitor's firm held for her. So I don't think this payment indicated that Nationwide held the right account details for her.

Ms C said that when she called Nationwide initially, she rang because she didn't have any paperwork to tell her what her direct debit amount was, what the payment date would be, and the account it was coming out of. She said she was worried, as she would have expected Nationwide to tell her this, and it hadn't. She said that was what triggered the conversation about her bank account, and Nationwide hadn't mentioned this.

I can see Ms C complained about not receiving information for her direct debit on 1 August 2022, when her new mortgage was due to start. She said to Nationwide then “.. *I changed Bank Accounts a few weeks ago, and advised my Solicitor but have no idea if they told Nationwide plus I have no paperwork from Nationwide.*” Nationwide has told us it didn't get Ms C's change of bank details from her solicitor or broker, so it didn't know about her new account details until 3 August. Before that, it held the old account details, for an account which was actually closed and switched in late October 2021. And that is where Ms C's cashback was sent.

I know that Ms C said to our service later that she thought her broker and solicitor had updated Nationwide with her new account details, but, as I noted in my provisional decision, Nationwide's contact notes don't show that either the solicitor or broker had sent this information on. So I do think the initial error with Ms C's account details wasn't Nationwide's fault, because it did get the wrong details as part of the application her broker made for her,

and because neither Ms C's solicitor nor her broker then appear to have amended these details when Ms C moved her account.

I can see a letter from Nationwide, dated 2 August 2022, in advance of her first direct debit payment in mid-August. That letter doesn't tell Ms C which account the direct debit will be taken from, but it does contain all the other information that Ms C was concerned not to have received. I don't think it's unreasonable for Nationwide to have issued this letter very shortly after Ms C's mortgage started, rather than before.

Nationwide says it got Ms C's new account details on 3 August, and I can see it then sent another letter, dated 3 August 2022, to set out details of the account her direct debits would be taken from. For the reasons set out above, I think this is the first time Nationwide received these details. I've explained above that I think the account details used to pay her cashback should have been updated by Nationwide at the same time as the account details used to claim her direct debit payments.

Finally, Ms C also said Nationwide did not respond to her complaint initially in a timely manner and it didn't call back as promised. Ms C said she knew this was noted in my provisional decision, but she wanted to stress that she had to chase and complain several times. She said if Nationwide had a robust complaints procedure in place and kept the promises made by the customer services team then the need to bring a complaint to our service would have been avoided.

I have noted Ms C found Nationwide difficult to contact, and I accepted she had problems reaching someone who could help her. I also said that one of the reasons for my decision to uphold her complaint (although she had in fact been paid the money that she initially complained about not receiving) was that Nationwide didn't clarify promptly when and where her cashback payment was sent. So I have taken account of the fact that it took a very considerable amount of time, and a referral to our service, to resolve Ms C's core complaint.

For those reasons, 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 Ms C £200 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 19 June 2023.

Esther Absalom-Gough
Ombudsman