

The complaint

Mr B complains Nationwide Building Society (Nationwide) acted negligently when dealing with his money transfers.

What happened

Mr B says in mid-November 2022 he arranged with his bank to transfer a total of £29,540.82 split into two payments for his son's accounts that he'd opened with Nationwide. Mr B says these funds weren't received into the Nationwide accounts. Mr B says he queried this with Nationwide who informed him at the time it had returned the funds back to the originating bank. Mr B says his bank then informed him it had returned the funds back to Nationwide.

Mr B says he was left to constantly chase both Nationwide and his own bank taking up significant amounts of his time involving branch visits, numerous telephone calls and correspondence. Mr B feels Nationwide deliberately lied to him during this process and did little to help locate where the funds were, and it took until 21 February 2023 until the funds were finally located.

Mr B says this matter has caused him considerable stress, worry and inconvenience and has meant he has not been able to work properly during this period. Given that, Mr B wants Nationwide to apologise, accept its negligence in this matter and to compensate him for his loss of income, expenses incurred and loss of interest which he has calculated to total £18,781.80 - plus compensation for the inconvenience caused to him.

Nationwide says it accepts it could have done more to have helped Mr B and accepts it was at fault for holding on to the funds as long as it did, given Mr B made multiple attempts to resolve matters.

Nationwide agreed to refund some of the costs Mr B incurred totalling £406.20 including loss of interest and would consider covering some of the other costs listed by Mr B if receipts could be provided. In addition, while Nationwide wouldn't agree to cover Mr B's claim for loss of income, it agreed to pay him £250 for the inconvenience this matter caused him.

Mr B wasn't happy with Nationwide's response and referred the matter to this service.

The investigator looked at all the available information and upheld Mr B's complaint. The investigator felt Nationwide could have done more to locate the whereabouts of the funds Mr B had sent from his bank, rather than leaving it to him to continually chase for the funds. The investigator explained this service wouldn't look to compensate someone for their time at an hourly rate, rather a compensation award for the distress and inconvenience caused. The investigator felt given the upset this had caused Mr B, Nationwide should increase its compensation offer by a further £250 and pay an additional 4% interest on the missing funds, for the period between 15 November 2022 and 21 February 2023.

Nationwide accepted the investigator's view, but Mr B didn't agree and asked for the matter to be referred 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.

Having done so, I will also be upholding this complaint and I will explain how I have come to my decision.

I can understand it would have been upsetting and stressful for Mr B to have to continually chase Nationwide to establish the whereabouts of the funds he had sent to his son's savings accounts with Nationwide.

When looking at this complaint given Nationwide have accepted it has made mistakes here, I will consider if Nationwide's offer of redress to Mr B is sufficient.

The circumstances of this complaint are well known to both parties, so I don't intend to repeat all that's already been said before, that's not to say I haven't considered everything - I have. But it's just that I don't need to comment on each individual point raised in order to reach a decision on what's fair and reasonable here.

It's worth saying Nationwide have accepted and apologised for the fact it took too long to locate the whereabouts of Mr B's money transfer that he sent in mid-November 2022. I understand the reason the funds were originally rejected by Nationwide, was because Mr B had sent the funds after the deadline date for his two son's savings accounts. That however doesn't excuse the fact Nationwide could have done more here to locate the whereabouts of those monies, after all these monies, by its own admission were sitting in an internal suspense account.

Mr B has provided this service with details of the lengths he went, to establish the whereabouts of his money transfer over a period of several weeks. It's fair to say this would have been a stressful and upsetting time for him and that must have been both frustrating and worrying for Mr B. Although Mr B feels strongly about this matter which is understandable, I can't say that Nationwide deliberately lied to him during this time – that's not to say it hasn't made mistakes here it has, and it has accepted that and apologised.

Like the investigator I don't feel Nationwide's initial offer goes far enough and as a result of the investigator's view, it has now, in addition to covering part of Mr B's direct expenses, have also agreed to pay a further sum of £250 by way of compensation and an additional 4% interest on the £29,540.82 for the period between 15 November 2022 and 21 February 2023.

While Mr B may not agree, as explained by the investigator, without trying to minimise the frustration this matter would have undoubtedly caused him here, this service wouldn't ordinarily consider an individual's time at an hourly rate, when considering the level of redress that should be paid. It's worth saying it's not the role of this service to punish or penalise businesses, more that the business apologises when mistakes are made, matters are corrected, and an appropriate level of redress is awarded.

While Mr B will be disappointed with my decision, given Nationwide have agreed to pay additional compensation, I am satisfied this is a fair resolution here.

Putting things right

I instruct Nationwide Building Society to pay Mr B :

- an additional £250 by way of redress for the trouble and upset caused.
- an additional 4% simple interest on £29,540.82 for the period between 15 November 2022 and 21 February 2023, less any tax that needs to be deducted from this sum.

My final decision

My final decision is that I uphold this complaint.

I instruct Nationwide Building Society to pay Mr B:

- an additional £250 by way of redress for the trouble and upset caused.
- an additional 4% simple interest on £29,540.82 for the period between 15 November 2022 and 21 February 2023, less any tax that needs to be deducted from this sum.

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

Barry White
Ombudsman