

## The complaint

Mr T complains that he didn't get a switcher offer from Nationwide Building Society ('NW').

## What happened

Mr T switched his current account from another bank (which I will call bank 'A') in October 2022 – in a switcher offer from NW. The incentive was £200, providing 1) two direct debits were set up within 30 days of the switch, 2) the switch was done via the current account switching service 3) the switch was completed within 30 days and 4) that a 'full' switch was completed and the old current account closed.

Mr T fulfilled the first three conditions – that's not in dispute, but the fourth one is. NW didn't pay the switcher incentive of £200.

Mr T complained. He said he'd met the terms of the incentive and had completed a full switch. He showed NW a copy of a letter he received from bank A which said his account had been closed. He showed he had transferred the balance from bank A to NW. He said he'd never heard of the term 'partial switch' and as far as he was concerned, he had switched his current account to NW and should receive the incentive. He said he has suffered a lot of stress and inconvenience in trying to sort the matter out.

NW said that to qualify for the incentive, a customer had to:

- Complete a full switch online to a FlexAccount, FlexDirect or FlexPlus account using the Current Account Switch Service
- Transfer a minimum of two Direct Debit payments as part of the switch
- The switch must be completed within 30 days of it being requested.

NW said Mr T only completed a 'partial switch' - so wasn't eligible for the incentive payment.

Mr T brought his complaint to us. Our investigator issued three views, the last of which didn't uphold Mr T's complaint. She said that during the switching process, Mr T would've entered his account details with bank A and received a warning on screen which said that based on the information provided, NW could only offer a 'partial switch'.

That meant that payments would be transferred, but Mr T's old account remained open. The reason for that was that Mr T's old current account formed part of a mortgage offset and couldn't be closed. Our investigator said that was contained in the terms and conditions for the switcher offer.

Mr T didn't agree and asked that an ombudsman look at his complaint, so it has come to me to do that.

I reached a provisional decision which said:

I reviewed Mr T's complaint and put more questions to NW, following which NW made an offer to Mr T - to pay compensation of £250. This was made up of the incentive of £200, plus compensation of £50. NW made the offer because they'd reviewed Mr T's complaint again and considered that in the online chat and in their final response, they could've explained why he didn't meet the terms of the offer – and why a full switch from bank A wasn't possible.

Unfortunately, this was put to Mr T as a total of £300. But in any case, Mr T rejected the offer and so I am assessing his complaint again.

There are valid arguments on both sides of this complaint. Mr T has consistently argued his case. And while NW has followed their processes and terms and conditions here, strictly following a procedure or process can lead to an unfair outcome for a customer in the individual circumstances of their situation. I think that's what's happened here.

It's not in dispute that Mr T met the three of the terms of the switcher offer – in as much as the switching service was used; more than two direct debits were set up, and the switch was completed within 30 days. So – I won't go into those.

I think it's also fair to say that the terms of the offer were set out in the terms and conditions. As these say:

*“How do I qualify for the offer?...You must complete a full account switch from a current account held with another provider using the Current Account Switch Service. The account you have with another provider must be closed as part of the switch. Manual and partial switches do not count towards this.*

*When won't I qualify – what are the exclusions?...You won't qualify for this offer if:...You manually or only partially switched your account and did not complete a full switch...”*

NW have said in their submissions to us that Mr T may have closed his account at bank A 'manually'. But the evidence for that isn't clear, nor did NW say that to Mr T in their final response, and so I set that consideration aside.

So – the terms and conditions say NW had the right not to pay the incentive, but that's not the end of the story. A firm's communications must be clear and not misleading – and in the circumstances of Mr T's complaint, I can see that the communications from NW could've been clearer.

At the point of completing the switch instructions, Mr T was shown the screen *“Based on the information provided by your old bank / building society, we are able to offer you a partial switch. This means that we will transfer your payments, but your old account will not be closed”*.

NW argue that should've been enough for Mr T to have realised he wouldn't get the incentive. But I don't think that's a reasonable thing to say - as it means that Mr T needed to consider the impact of the online statement, and then revisit the terms and conditions to see what a 'partial switch' was – and then work out the impact on the offer.

I then looked at the texts sent to Mr T – four times between 11 October 2022 and 31 October 2022. Each of these said the switch was being completed without any problems:

11 October 2022: *“Good news. We'll start your current account switch...”*

14 October 2022: *“Good news. We've started your current account switch...”*

15 October 2022: “Good news. We’ve received your payment details...”

31 October 2022: “Good news. We’ve set up regular payments for your current account switch...”

None of the texts said that Mr T didn’t qualify for the incentive. And they indicated that the switch was going ahead – as Mr T expected to see. I did note that NW’s internal systems flagged ‘partial switch’ – but obviously we couldn’t expect Mr T to have known that.

I also noted that NW didn’t send Mr T a letter or email at any stage during the switching process to say he didn’t qualify for the incentive, explain why that was – and possibly to give him the option of not proceeding. But unfortunately, that wasn’t the case.

I reviewed the online chat between Mr T and NW’s agent - who didn’t explain what a partial switch was, or why that was the case – i.e. that it was because of Mr T’s mortgage offset with bank A. Neither did NW’s final response explain that. In both interactions, it would’ve been helpful if a full explanation was given, but it wasn’t.

I can see how frustrating this has been for Mr T. I’ve considered an appropriate amount of compensation. We’ve set out some criteria for this and this is shown at:

<https://www.financial-ombudsman.org.uk/consumers/expect/compensation-for-distress-or-inconvenience>

In line with this guidance, I think that an amount of £300 (as previously proposed) is a fair way for NW to settle this complaint. And so this provisional decision proposes that.

#### Responses the provisional decision:

NW agreed. Mr T made the following comments:

- He maintains he had never completed a ‘partial transfer’ form.
- There wasn’t any option online to choose a partial or full transfer.
- He hadn’t seen a screen which said the switch would be partial.
- His account at bank A was closed automatically, not by himself.
- He believes he should receive the incentive of £200, plus compensation of £300.

I now need to consider these comments and decide on a final decision. (**continued**)

#### **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’m very grateful for Mr T’s comments, which I’ve considered again in the light of his complaint and the evidence I reviewed.

And I am satisfied that the points now made by Mr T were considered by me in issuing the provisional decision. And therefore, my final decision is the same as the provisional decision.

### **My final decision**

I uphold this complaint. Nationwide Building Society must:

- Pay compensation of £300 for distress and inconvenience

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 27 September 2023.

Martin Lord  
**Ombudsman**