

The complaint

Mr K complains about the service he received when applying for a personal loan with Nationwide Building Society.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving my reasons for my 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 agree with the conclusions reached by the investigator for largely the same reasons. I'll explain why:

- Nationwide didn't agree it acted unreasonably in declining Mr K's personal loan application. It accepted it didn't provide clear information during a call about the application and that the advisor didn't do what he said he would in adding a note to the application. To put things right Nationwide offered Mr K £75 for the inconvenience caused. But I agree with the investigator, I don't think that's enough to recognise the frustration and inconvenience caused to Mr K for the unclear information and poor service. I think £150 compensation is in line with what is fair in the circumstances.
- Whilst I accept that Mr K could have been provided with clearer information, I can't say it's responsible for any financial commitments Mr K may have made. Having listened to the call Mr K had with the adviser he wasn't told that the loan had been approved. And while Mr K was told the general process of what may have impacted his previous applications not being accepted, he wasn't told that this current application had been, or was likely to be, approved. Nationwide have told us that the application was declined due to Mr K's account usage in line with its general lending criteria, which I don't find unreasonable.
- Having considered this I don't think a reasonable person could conclude that the acceptance of the application was guaranteed. So, I can't agree that Nationwide should be responsible for assurances he made to other parties when he took steps and made plans to start spending the loan before it had been accepted.
- I note Mr K feels there were other calls he made to Nationwide in which he told it about the money he was due to spend however this was after the loan had been declined. I haven't seen any evidence in the calls or call notes provided by Nationwide to persuade me that he'd mentioned this to Nationwide before the loan was accepted or during the calls with the adviser on 9 May and 17 May 2023.

Putting things right

For the distress and inconvenience caused to Mr K for the unclear information and poor service Nationwide should increase the compensation by a further £75 to a total of £150.

My final decision

For the reasons mentioned above I uphold Mr K's complaint against Nationwide Building Society

Nationwide Building Society should pay Mr K a further £75 in compensation in addition to the £75 already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 31 October 2023.

Jag Dhuphar
Ombudsman