

The complaint

Mrs S complains Nationwide Building Society (“Nationwide”) delayed in opening an ISA account after making a mistake with her date of birth. Mrs S is assisted in bringing her complaint by her representative Mr S.

What happened

Nationwide delayed in moving Mrs S’s Fixed rate ISA to a new product on its maturity due to a mistake it made recording her date of birth.

Nationwide upheld her complaint, apologised, and corrected the date of birth. It initially offered to pay £25 for the distress and inconvenience caused but later in its final response “FRL” increased this to £100. Also, it agreed to roll over the interest on the ISA at the rate quoted on the renewal form for two years, back dated to 3 January 2023 and agreed to forward Mrs S a cheque for the accumulated interest. Mrs S rejected the compensation offered and brought her complaint to us. She told us this wasn’t the first mistake Nationwide had made with her accounts but the straw that broke the camel’s back. And the upset and worry caused by this mistake had ruined the holiday she’d departed for just as the mistake was uncovered

Our investigator upheld the complaint, finding Nationwide’s mistake had caused Mrs S distress and inconvenience but thought the offer of £100 compensation was a reasonable response and so didn’t require Nationwide to take any further action.

Mrs S totally rejected the investigators view and asked for an ombudsman’s decision. She said the investigator had totally misunderstood the complaint about the ruination of their holiday, focusing on call costs and ignoring costs of their holiday when calculating the loss she’d experienced because of Nationwide continued errors at all levels.

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.

Firstly, I’m sorry to hear of the health problems Mrs S and her representative have endured both before their holiday in 2023 and more recently. I hope they are recuperating and wish them well in their recovery.

Mrs S has raised several points in her submissions to this service, both before and after the investigator issued her view. I’ve understood and looked into all of those but I’ve only commented on what I think’s vital in my decision. No discourtesy is intended by this. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there’s something I haven’t mentioned, it isn’t because I’ve ignored it. I haven’t. I’m satisfied I don’t need to comment on every individual point to be able to reach what, I think, is a fair outcome.

Everyone accepts Nationwide made a mistake here with Mrs S’s date of birth. So, the issue

I've got to decide upon is what is the right redress to compensate Mrs S for this mistake

I understand the error a matter of some disappointment and concern to Mrs S as longstanding customer of Nationwide particularly as it can't say exactly how this happened but it seems likely to have been the result of a system feed. It has now offered sincere apologies and corrected the error so the correct date of birth is recorded. In addition, I think its offer to roll over the renewal at the fixed rate on offer at the maturity date for the two year fixed term backdated to 3 January 2023 puts Mrs S's back in the position she would've been had the mistake not been made and the renewal delayed.

Whilst it's most unfortunate this all happened as Mrs S was going on holiday for some time, I think the revised and final compensation offered of £100 for the distress and inconvenience is reasonable. I say that as Nationwide admitted promptly to Mrs S it had made a mistake and within days offered a solution in terms of the reinvestment so Mrs S didn't incur any financial loss. It also acknowledged in emails that Mrs S was away and could only attend to the paperwork needed on her return.

As our investigator has explained it's not our approach to ask a bank to reimburse for the cost of a holiday. So, whilst I hear what Mrs S said about the upset she suffered being commensurate with the cost of her holiday I think, overall, Nationwide have acted fairly and reasonably here. The apology, correction, £100 compensation and redial action in terms of the reinvestment is the sort of award I'd have suggested had it not been offered. So, as I think Nationwide have already responded fairly and I won't be asking them to do anything else.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 25 April 2024.

Annabel O'Sullivan
Ombudsman