

## **The complaint**

Mr S complains that Nationwide Building Society caused delays during the processing of his mortgage application and sent his personal data to an incorrect email recipient.

## **What happened**

Mr S applied, via a broker, for a mortgage with Nationwide on 5 September 2022 to purchase a property. On 21 September 2022 Nationwide provided a mortgage offer for approximately £123,000 over a term of 37 years.

However, the completion of the process – mortgage/purchase – was delayed for a number of reasons. It appears from Nationwide's notes that one significant reason for the delay was the withdrawal of the mortgage offer because the valuation said the property was unsuitable security. Nationwide's contact notes also indicate that it was ready to transfer funds for completion on 7 March 2023 and that Mr S wanted to exchange contracts by 17 March 2023. He'd informed Nationwide of that wish as part of a complaint he raised about the time the application was taking.

On 17 February 2023 Nationwide recorded an email address for Mr S incorrectly. That led to both a response to a data subject access request and a response to a complaint being sent to the incorrect email address.

Mr S complained to Nationwide about those issues along with other issues he hasn't brought to us. Nationwide responded in a number of letters from 6 March to 12 May 2023.

Overall, Nationwide acknowledged that it had caused some delays with administration errors and that it had caused two communications to be sent to an incorrect email address. It initially offered Mr S £250 to compensate him for the delays and then £350 to include compensation for the data breach. Subsequently, it offered Mr S a further £100 (£700 in total) as further acknowledgment of the distress and inconvenience caused by the data breach.

Mr S told Nationwide that he had to pay three weeks' worth of interest on his first payment rather than one, due to the delay it caused. Nationwide led him to believe it was making that adjustment – in two emails – but didn't do so. Mr S also thought the compensation awarded in respect of the data breach wasn't sufficient given that it made him vulnerable to potential fraud. And he said he has had to put notices of correction with credit reference agencies which will make credit applications slower in the future. So, Mr S asked us to consider his complaint.

Our investigator thought Nationwide had offered enough to compensate Mr S for the errors it had caused. He asked Nationwide to explain why it hadn't backdated the interest on Mr S' mortgage account. It told him doing so would not have been of benefit to Mr S. That's because Mr S was charged interest from 7 March 2023, and backdating would have meant he would have been charged interest from 23 February 2023. And our investigator explained that as there has been no consequences of the data breach to date, he thought Nationwide's

offer in that regard was reasonable. Mr S didn't agree, so his complaint has been passed to me for a 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.

To decide Mr S's complaint, I've thought about whether Nationwide has offered Mr S reasonable compensation for the errors both parties appear to agree upon.

#### The delay and backdating of interest

I've not seen that Mr S and Nationwide disagree on the errors made by Nationwide that led to the delay in the completion of Mr S' mortgage. Nationwide has sent us detailed contact and system notes. I've seen from those that Nationwide could have acknowledged and requested information a few days sooner on a number of occasions. But it also appears that Mr S' solicitor may have been slow to start conveyancing and failed to include attachments/enclosures on more than one correspondence item. But both parties agree that Mr S' mortgage could have completed approximately two weeks earlier had Nationwide not made the errors it did.

Nationwide offered Mr S £250 in that regard. While I'm mindful that Mr S felt the need to chase Nationwide around the time of its errors; and that property purchase is stressful even when things go smoothly; I think £250 is more than I would usually award in respect of the distress and inconvenience caused by this length of delay. So, I think Nationwide's offer is reasonable.

Mr S says his mortgage should have been backdated so that he didn't have to make a payment for three weeks in the first week. I can understand how that may have come as an unwanted surprise to Mr S. But I'm persuaded by Nationwide's explanation of how backdating wouldn't have benefited him. If the mortgage had started two weeks earlier, Nationwide would have charged him the additional interest for that time. I won't ask Nationwide to take action now that will only result in a charge of additional interest to Mr S' mortgage account, without offering him any benefit.

I understand that Mr S was told on two occasions the account would be backdated. But I think it's reasonable that, having looked into what that would have meant for Mr S, Nationwide reversed that decision.

#### The data breach

Nationwide has confirmed that it recorded Mr S' email address incorrectly on 17 March 2023 and amended it on 31 March 2023. It acknowledged that, between those dates, complaint acknowledgement letters and information about the mortgage application, requested under a data subject access request (DSAR), was sent to the incorrect email address. Nationwide has offered £450 to Mr S in respect of the distress and inconvenience the error caused.

Mr S doesn't think Nationwide's offer is sufficient. He says Nationwide could've checked the email address it used was correct by cross referencing it with his customer profile, and Nationwide should be aware of the requirements of general data protection regulation (GDPR).

The loss of Mr S' data is understandably a serious concern to him. And it's well known that such a loss can have serious ramifications. So, it's also understandable that Mr S seeks an

explanation of how Nationwide could have allowed that to happen. However, Nationwide has said his email address was noted incorrectly – a letter was added to the name part of the address – and it is apparent, as Mr S has pointed out, that Nationwide didn't check that email address with his customer profile. I think that is a reasonable explanation of what happened – Nationwide has acknowledged the error and I've not seen anything to suggest it has attempted to hide anything from Mr S in that regard. In any event, a different or more detailed explanation of what happened (if one exists) won't change what's happened, and Nationwide has acknowledged what happened.

Mr S says Nationwide's offer does not compensate him because of the level of risk its actions have exposed him to. And he's taken action to mitigate that risk by adding warnings to his credit file – he says that will make credit searches slower in future. I've thought carefully about the impact Nationwide's error has had on Mr S. While I understand his concern about misuse of his personal information, Mr S hasn't told us that any such misuse has taken place. That's not to say it won't happen in the future or that Mr S shouldn't be concerned about that. But I can't direct Nationwide to compensate him for something that hasn't happened. Mr S also hasn't provided evidence of the actual impact of the warnings he's added to his credit file, so I'm not persuaded of that impact aside from the inconvenience of having to do so.

That means my consideration of Nationwide's offer relates solely to distress caused to Mr S in relation to what the error may lead to and the inconvenience of him having to add the warning to his credit file. I think both of those issues are significant and I don't want to appear dismissive of the impact on Mr S. But I think Nationwide's offer of £450 is in line with awards I'd direct businesses to make in similar circumstances. So, I think the offer is reasonable.

Should Nationwide's error lead to misuse of Mr S' personal information in the future, he would have the option to complain to Nationwide about that and refer the matter for our consideration if he were dissatisfied with Nationwide's response.

### **Putting things right**

To resolve this complaint Nationwide should make full payment of the £700 it has offered to Mr S, if it hasn't done so already.

### **My final decision**

For the reasons outlined above, my final decision is the offer of £700 made by Nationwide Building Society to resolve Mr S's complaint is reasonable, and it should make full payment to him if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 19 March 2024.

Gavin Cook  
**Ombudsman**