

The complaint

Mr F and Miss P complain that Nationwide Building Society made errors which delayed their purchase completing. They ask for compensation for having to pay rent for an extra month.

What happened

Mr F and Miss P applied to Nationwide for a mortgage. Nationwide accepts it made an error when it didn't review documents promptly. It paid £250 for poor service.

Mr F and Miss P say this isn't enough. They say Nationwide's error delayed completion by one month and they had to extend their rental agreement, costing them £750. They also say Nationwide gave them incorrect information about how long it would take to make changes to the application. As a result, they gave incorrect information to other parties involved in the sale and purchase chain.

I sent a provisional decision to the parties setting out why I didn't intend to uphold this complaint. My reasons were substantially as set out below. Nationwide said it had nothing to add and Mr F and Miss P didn't respond.

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.

Where the evidence is incomplete, inconclusive or contradictory, I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

Nationwide accepts it made an error which caused a delay of about a month in processing Mr F and Miss P's application. However, it also pointed out that it issued a mortgage offer about nine weeks after the application (it says it usually takes about six to eight weeks). And that it issued a mortgage offer in July 2022 and the purchase didn't complete until November 2022. It says this suggests there were other reasons why the purchase didn't complete until November 2022.

I'm sorry to disappoint Mr F and Miss P, but I agree with Nationwide. The delay in reviewing their bank statements happened before the mortgage offer was issued. This might well have delayed the mortgage offer. However, the application was approved and the mortgage offer issued by mid-July 2022. If this was the only matter holding up their purchase I'd have expected completion to have happened before November 2022.

The mortgage offer was issued in mid-July 2022. There's no further contact from Mr F and Miss P in Nationwide's records until 17 October 2022 when they asked that the application was amended to reduce the purchase price and the loan amount (by about £5,000).

Mr F and Miss P say they were told this would take a few working days. They chased Nationwide in late October 2022. They told Nationwide completion was scheduled for

4 November 2022 and they were worried about being homeless.

Nationwide issued an amended mortgage offer on 2 November 2022. It sent a further amended offer on 9 November 2022 due to the solicitors' details being incorrect. It sent funds to Mr F and Miss P's solicitor on 11 November 2022.

I've looked at Nationwide's notes and it took more than two weeks to issue the amended mortgage offer. I think this was longer than it needed to be. This must have been stressful for Mr F and Miss P. And it might have contributed to their completion being delayed from 4 November 2022 to 11 November 2022 (one week). I would note here that, without further evidence, I can't be certain that completion would certainly have happened on 4 November 2022 if Nationwide had issued the amended mortgage offer a week earlier.

I don't think it's fair to say that Nationwide caused a delay of a month. There isn't a fixed time period between a mortgage offer being issued and the purchase completing. It doesn't necessarily follow that Mr F and Miss P's purchase would have completed a month earlier if the mortgage offer had been issued in June 2022 rather than July 2022.

Mr F and Miss P haven't said what happened between Nationwide issuing a mortgage offer in July 2022 and them contacting it again in October 2022, or why the purchase didn't complete in that three-month period. But I haven't seen anything to suggest that this was due to an error by Nationwide.

Putting things right

Nationwide did make errors. There was a delay in reviewing documents provided by Mr F and Miss P to support their application. While this caused inconvenience, I don't think it delayed the purchase completing. I think Nationwide took longer than necessary to issue an amended mortgage offer after Mr F and Miss P asked for changes in October 2022, and it didn't give them clear information about its timescales. This will have caused them unnecessary additional worry and might have contributed their purchase completing a few days or a week later than they'd hoped. Looking at Mr F and Miss P's bank statements, they paid additional rent of about £75 which could have been for these extra days.

I think it's right that Nationwide offered compensation. Taking all of the above into account, I think the £250 paid by Nationwide is fair and reasonable in the circumstances.

My final decision

My decision is that I don't uphold this complaint. That's because I think the compensation paid by Nationwide Building Society is fair and reasonable in the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F and Miss P to accept or reject my decision before 12 December 2023.

Ruth Stevenson
Ombudsman