

The complaint

Mrs A and Mr A are unhappy that Nationwide Building Society have defaulted their account.

What happened

Mrs A and Mr A held a current account with Nationwide. In April 2018, Mrs A and Mr A moved house and they updated their address details with Nationwide at that time. However, Nationwide failed to process their change of address, meaning that their old address remained on Nationwide's systems.

Mrs A and Mr A stopped using their Nationwide account. But the account incurred monthly fees. This meant that, over time, the ongoing account fees took Mrs A and Mr A's Nationwide account into an unauthorised overdrawn position. Nationwide wrote to Mrs A and Mr A about the balance of their account, but because they wrote to Mrs A and Mr A's old address, these letters weren't received by Mrs A and Mr A.

Because Mrs A and Mr A didn't address the overdrawn position of their account – because they weren't aware of it – Nationwide followed an account arrears process the resulted in the defaulting of the account and the passing of the debt to a debt recovery agency.

Mrs A and Mr A only became aware of what happened when they were contacted by the debt recovery agency at their new address. Mrs A and Mr A weren't happy that Nationwide hadn't updated their address in 2018 and had later defaulted their account as a result. So, they raised a complaint.

Nationwide responded to the complaint and explained that they had no record of Mrs A and Mr A changing their address in 2018 as they claimed. Because of this, Nationwide didn't feel they'd done anything wrong by administering the account as they had. Mrs A and Mr A weren't satisfied with Nationwide's response, so they referred their complaint to this service.

One of our investigators looked at this complaint. But they didn't feel Nationwide had acted unfairly in how they'd managed the situation. Mrs A and Mr A remained dissatisfied, so the matter was escalated to an ombudsman for a final 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.

Mrs A and Mr A have explained that they updated their address with Nationwide in 2018. But Nationwide have no record of Mrs A and Mr A updating their address with them in 2018, and so dispute Mrs A and Mr A's claim.

In circumstances such as this, where the testimonies of the complainant and the respondent business sit in contradiction within one another, I must decide which of the two versions of events I feel is most likely to have happened – on balance, and in consideration of all the information and evidence available to me. And in this instance, I find Nationwide's position –

that Mrs A and Mr A didn't update their address with them – to be the more persuasive.

I take this position because I feel that if Mrs A and Mr A had updated their address in branch in 2018 as they claim, there would most likely be some trace of this on Nationwide's systems. For instance, some system notes to confirm that Mrs A and Mr A had visited branch and spoken with a member of staff. But Nationwide don't have any notes or any other record of any kind that corroborates Mrs A and Mr A's position.

Additionally, if Mrs A and Mr A had asked Nationwide to update their address in 2018, but Nationwide hadn't done so, then I feel this reasonably would and should have been evident to Mrs A and Mr A, both in the immediate time after they made that request and in the many years that followed. This is because Mrs A and Mr A's address would have always been present on their Nationwide account as the incorrect address, and because Mrs A and Mr A would have received no post from Nationwide to their new address. But Mrs A and Mr A have said that after they asked Nationwide to update their address in 2018, neither of these factors alerted them to the fact that Nationwide hadn't done so.

Ultimately, it's the responsibility of Mrs A and Mr A, as the Nationwide account holders, to have monitored the ongoing status of their account. This includes both the address listed on the account, but also the financial position of the account. And I note that Mrs A and Mr A continued to use the account into January 2021 – at which time they made a payment of £500 from the account which took the account to a position of being £623 overdrawn.

This means that even if I were to accept that Mrs A and Mr A had made a request to change the address in the account in 2018 which hadn't been actioned by Nationwide, then I would still consider Mrs A and Mr A to be accountable and responsible for the events that followed. This is because I feel that, in this scenario, Mrs A and Mr A would still have failed in their responsibilities to have monitored the ongoing status of their account and to have been aware of the financial position of the account, including the account balance. And I feel that this failure would be the primary contributing factor to this complaint regardless of whether any request to change the address had or hadn't been made by Mrs A and Mr A in 2018.

Conversely, I feel that Nationwide have acted fairly here. I say this because I'm satisfied that Nationwide followed an account arrears process that was reasonable given the deteriorating financial position of the account. This includes that Nationwide sent letters to Mrs A and Mr A notifying them that action needed to be taken by them regarding the account, including a default notice which explained that if no action was taken that the account would be defaulted by Nationwide. And, as explained, if Mrs A and Mr A didn't receive these letters because the address on their account had been incorrect for several years since 2018, then I consider that responsibility and accountability for that rests with Mrs A and Mr A.

All of which means that I don't feel that Nationwide have acted unfairly as Mrs A and Mr A contend here. And it follows from this that I won't be upholding this complaint or instructing Nationwide to take any further action. I realise this won't be the outcome Mrs A and Mr A were wanting. But I hope they'll understand, given what I've explained, why I've made the final decision that I have.

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 A and Mr A to accept or reject my decision before 20 March 2024.

Paul Cooper
Ombudsman