

The complaint

Mr R complains that Nationwide Building Society has treated him unfairly when he asked for support with his mortgage repayments.

What happened

The facts of this case are well known to both Mr R and Nationwide, so I've summarised the key issues over setting this out in detail.

Mr R holds a joint mortgage with his ex-partner with Nationwide. He had a number of conversations with Nationwide from June 2022 onwards when he notified Nationwide that he and his ex-partner had separated.

Mr R thinks Nationwide has failed to provide the appropriate level of advice and support during these conversations and its failures have resulted in him being trapped and unable to select a new interest rate. When Nationwide made a concession with the monthly mortgage repayments, he feels it failed to highlight the impact of arrears building if these were not met. He feels this has stopped him from being able to take a new fixed rate product and Nationwide should have prioritised his mortgage payments and advised him to do this over any unsecured lending.

He doesn't think Nationwide has recognised the impact of his underlying health conditions and vulnerabilities and has not provided extra support without him needing to push for this. He feels had he spoken with someone from the additional support team sooner, he would have received more appropriate advice.

Mr R complained to Nationwide in February 2023 and it said it didn't think it had done anything wrong with the advice and information provided. Mr R provided more information in reply to Nationwide's response, he didn't think it had addressed his concerns about his health conditions and vulnerability.

Nationwide explained it was not aware that Mr R was unable to make financial decisions because of his mental capacity and it would not assume in regard to this. It said it would normally have an in-depth conversation with its customers in regard to their needs. A care marker had been placed on Mr R's account since March 2023 but the specialist support team could not step in until Mr R's most recent plan was due to end in April 2023. It apologised for not answering all of Mr R's concerns originally and offered £100 in recognition of this.

Our investigator looked at this complaint and didn't think Nationwide had done anything wrong with how it had handled Mr R's enquiries. He felt it had completed multiple income and expenditure assessments with Mr R to understand what he was able to pay for his mortgage and it had provided advice for Mr R to speak with different organisations to assist with his circumstances. And he didn't think it would have been fair for Nationwide to allow Mr R to take a fixed rate product. Its policy meant anyone in arrears was not able to choose a new product and even if this was not the case, he felt it would not have been in Mr R's best interest to allow this if the products available had an early repayment charge (ERC).

Because Mr R's property was being actively marketed for sale, he felt a fixed rate with and ERC could add to the costs Mr R was incurring and make his situation worse.

Mr R disagreed, he said Nationwide had now switched him to a new rate but this could have been done before and he's lost out because this didn't happen. He felt it failed to provide advice and support on financial abuse to help him with his ex-partner and threats that were being made. He also reiterated that he was provided incorrect advice in the past and should not have been put on a concession rate when his income and expenditure showed he could afford the repayments if he focused on his mortgage as a priority debt.

Our investigator's opinion remained unchanged so the complaint has been passed to me for 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.

I've decided not to uphold this complaint, for much the same reasons as our investigator, I know this will be disappointing for Mr R, but I'll explain why I don't think Nationwide needs to do anything else to put things right.

Mr R has continued to engage with Nationwide since the complaint has been with us and with his circumstances it is right that this happens as it works with him to provide support. But for clarity, I am only able to consider the actions of Nationwide up until the point the complaint was brought to us in April 2023. If Mr R is unhappy about anything which has happened after this point, it would need to be raised with Nationwide as a new complaint.

It is clear Nationwide had multiple conversations with Mr R about his mortgage after he let them know he was struggling with this after his separation. It is clear this has been a very difficult time for Mr R and I am grateful for him sharing the information he has about the impact of this, including how his separation and the stress of this has been added to with his money worries.

I know Mr R feels Nationwide should not have allowed his account to fall into arrears with a concession rate and repayment agreed on the mortgage, but I don't think it was acting unfairly when providing this forbearance when he looked for assistance. It provided this as short-term support to allow Mr R to reduce his monthly outgoings and it's done what I'd expect here. When the concession payment wasn't met, it has meant that arrears built on the account and I don't think Nationwide has done anything wrong when recording these.

I've not seen anything to demonstrate Nationwide provided Mr R with information to prioritise his non-priority debts over him paying the mortgage. It signposted Mr R to different organisations to assist with this and it was right this was done. But when Mr R was looking for support with his mortgage payments, it provided this with the concessions offered.

Mr R thinks Nationwide's actions stopped him from being able to move to a fixed rate when his previous interest rate product finished. He says this has increased his costs and made his situation worse. I understand why Mr R feels as though Nationwide should have allowed him to take a fixed rate sooner, but I don't agree it was acting unfairly when this was not an option.

The arrears on the mortgage meant Mr R did not qualify for a rate switch under its criteria, but even if he did, consideration needs to be given as to whether it was in Mr R's best interests. Nationwide has confirmed there was no fixed rate available at the time which did

not include an ERC if repaid before the product term. And Mr R had explained to Nationwide a number of times that the property was on the market, being advertised to be sold. If the sale was completed within a new fixed rate product term, Mr R might have needed to pay an early repayment charge (ERC). This means it is difficult to say that it would be in Mr R's best interest to have been offered a new fixed rate as it could ultimately have cost him more.

Overall, I don't think Nationwide has acted unfairly, it provided Mr R with support and options to assist with his circumstances including offering concessions to the monthly repayment amount. When payments were not met it meant arrears built up and it needed to look at other options. It has continued to provide support as expected and it follows that I don't think it needs to do anything else now.

My final decision

I don't uphold this complaint for the reasons explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 11 March 2024.

Thomas Brissenden
Ombudsman