

The complaint

Mr H complains that Nationwide Building Society ("Nationwide") charged him a non-sterling transaction fee which he considers disproportionate to how much it cost it to process.

What happened

Mr H complained to Nationwide that it charged a 0.71p non-sterling transaction fee for a purchase he made.

Nationwide says no error was made as its terms and conditions state that a 2.99% fee would be charged in the event of a non-sterling transaction taking place but agreed to refund the fee as a gesture of goodwill ("GOGW").

Mr H was unhappy with this as he says he saw some notes on a SAR he completed showing Nationwide could potentially stop the complaint being referred to this service by providing the GOGW offer and feels Nationwide has been untruthful in its final response letter and brought his complaint to this service.

One of our investigators looked into Mr H's concerns and didn't recommend his complaint was upheld as Nationwide had charged the fee in line with the terms and conditions which were agreed to by Mr H when he opened the account and that its likely he would incur further fees on non-sterling transactions in the future. They didn't think it was relevant whether or not the GOGW offer could prevent Mr H bringing his complaint to this service as this could be the case with all compensation offered on complaints.

Mr H disagreed, he thinks the two months' notice period informing him of the fees is irrelevant as there was no mechanism in place to challenge or query the increases. Furthermore, he believes the GOGW payment was a ruse to avoid paying the case fee and has asked for an ombudsman's 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.

My role is to look at problems that Mr H has experienced and see if Nationwide has done anything wrong or treated him unfairly. If it has, I'd seek to put Mr H back in the position he would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

The crux of Mr H's complaint is surrounding Nationwide's charges for non-sterling transaction fees in that he feels they are disproportionate to how much it costs it to process the transaction. Before I go any further, I want to be clear in saying that I haven't considered whether the various amounts Nationwide charged over the years were fair and reasonable, or proportionate in comparison to the costs of the service provided.

Ultimately, how much a business charges for services and its reasons why is a commercial decision. Just like it is up to Mr H to decide whether to accept what Nationwide is offering or to take his business elsewhere. Indeed, this is the mechanism Mr H and other customers have to challenge fees and any increases.

This service doesn't supervise, regulate or discipline the businesses we cover. And my role isn't to punish or penalise businesses for their performance or behaviour – that's the role of the regulator, in this case the Financial Conduct Authority. And as we are not the regulator, I cannot make Nationwide change its charging structure or set guidance surrounding what it can or cannot charge for its services.

And so providing Nationwide notified Mr H of the change in its pricing structure in line with the terms and conditions of the account, whether its charges are proportionate to the cost of the service provided isn't something for me to get involved with.

And from what I understand Nationwide gave its member's two months' notice by letter when it introduced these types of fees in 2010. And since that time fees have been increased twice, once in 2018 and again in 2020 and members were again informed by letter at this point. And if Mr H wanted to check what Nationwide's charges and fees these are available on its website. So I can't say that Nationwide has made an error or treated Mr H unfairly when it charged him 0.71p when he made a non-sterling transaction as this is in-line with the terms and conditions of the account.

Mr H says he opened his account many years ago and at that time there was no charge for non-sterling transactions. But I'm sure Mr H appreciates that with time things move on - prices can go up or down and businesses need to be able to adapt to the markets to remain both viable and profitable. Furthermore, Nationwide is under no obligation to inform Mr H of what the cost of administering non-sterling transactions are or to justify its charges. Ultimately, it is up to Mr H to manage his own finances and decide if he is happy with what Nationwide is offering or to shop around for a better deal.

Finally, Mr H believes the GOGW offer was an attempt to stop him bringing his complaint to this service. Whatever reasons Nationwide had for making the GOGW offer I think is irrelevant. Nationwide has the same powers to decide what if any compensation it wants to offer in order try and resolve a complaint as it does regarding what fees it charges for its services. And Mr H was not prohibited from bringing a complaint to this service because of the offer Nationwide made.

So it follows, I do not uphold Mr H's complaint as I don't think Nationwide has made an error or treated Mr H unfairly.

My final decision

For the reasons I've explained, I do not uphold Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs H to accept or reject my decision before 5 March 2024.

Caroline Davies
Ombudsman