

The complaint

Mr M complains that Nationwide Building Society didn't pay a switching bonus when he moved his account, and also that it told him he'd failed security, getting some of his personal information wrong, when he thought he'd answered all the questions he was asked correctly.

What happened

Mr M was unhappy that Nationwide hadn't paid a switching bonus when he moved his account to the building society. He knew he hadn't met the qualifying criteria, but he said he'd explained why this went wrong, and he thought in these circumstances the payment should still have been made.

Mr M also said he wanted to talk to Nationwide about accessing his account, but he'd failed security. When he complained, Mr M said Nationwide told him that this was because he hadn't updated his address. Mr M said that couldn't be right. Although he'd had at least one Nationwide account before, at his previous address, that was closed before he moved. He then hadn't held any Nationwide accounts for a while. So the only ones he had now, were opened well after the move, and should only ever have been linked to his new address.

Mr M said he thought this was a problem with the data Nationwide held for him. And he was adamant he'd given accurate answers to all the security questions he was asked.

Nationwide said it didn't think it should have paid the switching bonus. Mr M didn't qualify.

Nationwide said it was clear Mr M got the answers wrong on several of its security questions. But on one, it said that its agent had interpreted the answer wrongly, and he should have passed through security. So it paid Mr M £20 to say sorry for that.

Mr M wrote again, to say what Nationwide was telling him now, in its letter, didn't fit with the explanation he'd been given in branch. In reply, Nationwide didn't address that point directly. It said that its system did hold two addresses for Mr M, including an old address which was linked to two accounts, one of which had only been closed recently, in February 2023.

Mr M wasn't happy with Nationwide's explanation, and he asked our service to look into this.

Our investigator didn't think this complaint should be upheld. He said Mr M wasn't entitled to the switching bonus, so we wouldn't say it was unfair for Nationwide not to pay. He didn't think it was appropriate for our service to comment on which staff Nationwide chooses to use to deal with complaints. And he thought Nationwide had made a reasonable response to Mr M's complaint about not passing through security. Our investigator said he didn't think just opening a new account, would mean Mr M's addresses with Nationwide would be updated.

Mr M sent a detailed response. He still thought the bonus should have been paid as a goodwill gesture. He thought Nationwide's complaint handling had made things worse here. And Mr M said he hadn't assumed that opening a new account would update all his existing accounts linked to his old address. He repeated that he didn't have any existing accounts linked to that old address.

Mr M said he had no idea why Nationwide would have told him, in this scenario, that he should have updated his address with it. And he thought this was the sole reason why he'd failed security.

Our investigator wrote again, and said he had seen the relevant web chat. Mr M assumed the issue was only with his address history, and it wasn't. He did think, as Nationwide had said, that Nationwide's agent had made a mistake, and Mr M should have passed security.

Mr M replied, he still thought Nationwide had made a mistake about his address history. He felt the security questions he was asked, and the answers he gave, should be shared with him. He felt the problem would only be resolved when the contents of the chat were shared and openly discussed. Mr M wanted his complaint to be considered by an ombudsman, so it was passed to me for a final decision. And I then reached my provisional decision on this case.

My provisional decision

I issued a provisional decision on this complaint and explained why I did propose to uphold it. This is what I said then:

Mr M's complaint is on two key points, whether Nationwide should have paid a switching bonus to him as a matter of goodwill, and how it handled the login problems he experienced in early March 2022, along with his subsequent complaint.

On the switching bonus, Mr M accepts he didn't fulfil the requirements for the bonus. He says they weren't set out on the third-party website he viewed before switching. Nationwide, not unreasonably, says it isn't responsible for this third-party site, and the requirements are clear on its own site. As Mr M didn't comply with those, he didn't get the bonus. Mr M says Nationwide could have paid anyway, as a gesture of goodwill, and he thinks it ought to.

I think the key here is that Mr M himself accepts he didn't comply with the requirements. My duty is to provide a fair and reasonable outcome to complaints, and I cannot say it's unfair or unreasonable for Nationwide not to pay Mr M bonus money that he hasn't qualified for. If Nationwide chose not to go beyond the contract it entered into with Mr M, and offer some money as a gesture of goodwill, I think in this case, that would be entirely a matter for the judgment of Nationwide, and not something I could fairly and reasonably compel it to do.

However, I've not reached the same view as our investigator on Mr M's login problems. I do have concerns here.

I know Mr M was unhappy that this complaint had been dealt with by branch staff. Like our investigator, I don't think it's appropriate for our service to comment on that. We cannot consider complaints which are made solely about the handling of a complaint, and I think that Mr M's argument that cases such as this shouldn't be handled in a branch, falls into that category, so I won't consider that point further here.

I also note that Mr M says the only fair way to resolve this issue, is for him to see all the questions he was asked as part of this web chat, and the answers he gave, so he can understand why Nationwide has marked those as correct or not.

I don't think it would be appropriate to do that here. As Mr M will be aware, the decisions of our service are published, and I don't think it would be helpful for me to include a

number of banking security questions in a published decision. And if I were to provide this information for Mr M separately, I would anticipate that he would also want to know why certain answers were marked as right or wrong. Explaining Nationwide's position on that, would put into the public domain information about its tolerance for error in security questions, which I hope that Mr M will understand is something that I don't think would be appropriate for our service to share, even on a one-to-one basis.

But in looking at the overall resolution of this issue, I do think the other issues Mr M has raised are linked to his original concern about the service he received on 8 March on a webchat, and in particular his view that he couldn't have failed security because his answers to the relevant questions were right.

Mr M contacted Nationwide on 8 March, through its online chat facility, because he couldn't log in. Mr M completed a security form, without difficulty, but when he was asked further security questions, Nationwide said he hadn't passed security.

Mr M said he called Nationwide and expressed his concerns. Nationwide apparently understood that Mr M's concerns were resolved on that call, but Mr M didn't feel the same. Nationwide has noted this call as a complaint, so I think Mr M should have received a formal response, even if Nationwide thought the issue had been resolved on this call.

Mr M told us that after this call produced no response, he went into a branch, and left a note for a branch member, saying he didn't feel things had been resolved for him. Mr M said that didn't produce any response either, and I should say here that Nationwide has said its branch member didn't get this note. So Mr M then went into branch again.

At this point, Mr M said he was told that he had two profiles visible on Nationwide's system, and he should have updated his address with Nationwide when he moved.

Mr M then got a complaint response letter from Nationwide, dealing with why he didn't clear security on the web chat. Nationwide said it was clear he'd failed on several questions. It also said that on one question, Mr M's answer was wrongly interpreted by its agent, so Mr M should have been allowed to pass through security.

Mr M replied to this letter, saying Nationwide's explanation now didn't fit at all with what he'd been told in branch, about the second account profile held for him.

Nationwide wrote again, accepting it held Mr M's current address, but it said it also had records of a previous address, which had been attached to two accounts closed in February 2023 and August 2016.

Mr M continues to believe that he answered all the security questions correctly. I would like to pause at this point to say I don't think he did. I think there are two clear errors in his responses to two of the security questions he was asked. I should also like to say that, whilst I've explained above why I won't set out the details here, I do think it's easy to see how these mistakes were made. They are the sort of small oversight anyone might make.

But I do think Nationwide has caused some confusion in this case, because what Nationwide apparently said to Mr M in branch, and in its subsequent letters to him, and to our service, all suggest that it held Mr M's old address for him, long after he moved. That's why it thought Mr M got some information linked to his address wrong. In its second letter to Mr M, Nationwide said it held his previous address for an account he'd only closed recently, in February 2023.

I should note here that the number on Mr M's closed account isn't exactly the same as the number Nationwide gave. So there is an outside chance that Nationwide is referring to an entirely separate account, which Mr M has overlooked. Nationwide can offer further evidence on this point if it wishes. But at the moment, I think it's likely, as Mr M suggested, that this was just a typo on Nationwide's part, and the account it said was closed in February 2023 is the account Mr M switched to in September 2021 (well after he moved to his new home).

Mr M has explained to our service clearly why he doesn't think that his previous address should ever have been linked to the account which was closed in February 2023. It wasn't opened until some years after he moved from that old address. Mr M sent us mail Nationwide had sent to him for this account, dating from when the account was first opened in September 2021, which bears the new address.

So Mr M was asked a specific question, about whether he'd held previous addresses with Nationwide within a specific time period. He said no. Nationwide has told our service it thought that was wrong. But I don't think Mr M did get information linked to his address history wrong. I haven't seen any account details which support Nationwide's argument otherwise.

I think it has prolonged this complaint for Mr M, that he appears to have been told by Nationwide that he had got some information linked to his address wrong, when I can't see that he had. On the evidence I've seen to date, the error here, as Mr M has always maintained, appears to be with the address data Nationwide holds for him.

I do think Mr M has experienced poor service here. For the reasons set out above, I think a payment of £20 wasn't enough to make up for what went wrong here. I should note at this stage that I don't think Nationwide made a mistake by paying compensation into Mr M's joint account. Mr M has confirmed this didn't cause a difficulty in his case, and I haven't seen anything at all here to make me think that Nationwide should have anticipated that it would.

I think that Nationwide should make a payment now to Mr M of £100, in addition to the £20 it has already paid. And I think that Nationwide should review its address records for Mr M, to ensure that they show Mr M as having moved to his current address in 2016. My current view is that this would provide a fair and reasonable outcome to this complaint.

I invited the parties to make any final points, if they wanted, before issuing my final decision. Both sides replied.

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.

Mr M expressed his gratitude for the decision. He said that he'd only included the issue about switching, because it had somehow formed part of his complaint about his address, and he had understood he couldn't refer one issue as a complaint without the other.

Mr M said that if this decision is going to be published, he would quite understand that details of the questions he was asked shouldn't be set out here. He discussed whether the other answers he gave were open to interpretation, but said he'd always been confident that the question about his address would prove to be the cause of the problem.

Mr M said he would also like to say that what caused him the most concern was the accusation of poor behaviour in the branch, which he said was just something he would never do. Mr M then set out a brief history of how the problem with accessing his account arose.

I didn't focus in my provisional decision on the different views that Mr M and the member of branch staff had about Mr M's behaviour in branch, as that decision focussed on resolving the underlying issues which caused the confusion here. On this point, it would be difficult for me to reach a firm conclusion, as I wasn't present in the branch at the time. However, from what I have seen, it seems likely to me that this has arisen out of Mr M's persistence in branch, which was perceived by a member of staff as unreasonable. I would merely note here that, whilst a number of the points Mr M raised in his complaint have not been upheld, my decision does provide some vindication for one of the points Mr M was apparently seeking to make at the time.

Nationwide said that having reviewed my comments, it wanted to accept the provisional decision and it would agree to pay Mr M £100 compensation in addition to the £20 already paid. It also said it would confirm the address it holds on file for him dates from 1 June 2016, and it asked me to make Mr M aware of its revised position.

I still think a payment of £100, plus the requirement for Nationwide to update its address records for Mr M, would provide a fair and reasonable outcome to this complaint. So I'll now make the decision I originally proposed.

My final decision

My final decision is that Nationwide Building Society must pay Mr M £100, in addition to the £20 it has already paid. Nationwide Building Society must also review its address records for Mr M (if it has not already done so) to ensure that those show Mr M as having moved to his current address in 2016.

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

Esther Absalom-Gough
Ombudsman