

## The complaint

Miss R complains that after switching her current account from another provider (who I'll call A), Nationwide Building Society (Nationwide) refused to pay a £200 switching incentive payment.

## What happened

At the end of November 2023, Miss R applied to switch her current account from A to Nationwide, agreeing to Nationwide's Current Account Online Switch Offer Terms and Conditions. The switch was successfully completed however, the incentive payment was not made.

Miss R raised a complaint with Nationwide who investigated and told Miss R the reason the payment was not made was because she had not met one of the switch criteria, namely that a minimum of two direct debits had not been transferred from A. They said that only one direct debit had been transferred, which was with a company I'll call B. As Miss R was under the impression that two direct debits had been transferred, she brought the matter to this service, before Nationwide had issued their final response.

After receiving Nationwide's final response letter, our investigator started looking into the complaint and concluded that they would not be asking Nationwide to do anything more. The reason for this was the investigator found that whilst Miss R did have regular payment arrangements with another company, it was not a direct debit.

Miss R disagreed with this outcome and requested an ombudsman review her complaint.

## 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 considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, and while I recognise this will come as a disappointment to Miss R, I have decided not to uphold her complaint for very much the same reasons as the investigator.

In terms of the criteria that prevented the incentive payment being made, I've read Nationwide's Current Account Online Switch Offer Terms and Conditions and points 7 and 9 are clear. Under the heading **How do I qualify for the offer?**, point 7 states *"You must transfer a minimum of 2 active Direct Debits from the current account being switched to the Nationwide account as part of the switch. Direct Debits set up or transferred after your switch has been started will not count towards this offer. Other types of automated payments, such as standing orders and recurring card payments, won't count towards this"*

And under the heading **When won't I qualify – what are the exclusions?**, it states “*You didn't transfer a minimum of 2 active Direct Debits as part of the switch in accordance with condition 7 above (other types of automated payments, such as standing orders and recurring card payments won't count towards this)*”

In view of the above, I'm satisfied that Nationwide were clear from the start in terms of regular payments and treated Miss R fairly by ensuring it was mentioned clearly within the switching offer details.

I know one issue that Miss R feels strongly about is the difference between direct debits and the payment arrangement she had with another company, who I'll call C. She went on to say that the onus should be on Nationwide to provide evidence that the arrangement she had with C did not meet their switching criteria, but I disagree. When Nationwide approached A for a list of direct debits, there were provided with a list that contained only one company, which I referred to above as B. Nationwide would not have known about the payment arrangement that Miss R had with C as it was not a direct debit but in fact Continuous Payment Authority (CPA)

Our investigator explained the difference between a direct debit and a CPA in their view letter and I think this provides the necessary details. I do acknowledge that customers may regard a company taking regular payments from their account as a direct debit, but it's important that the customer clarifies what the arrangement is, especially when before embarking on something such as a current account switch and the associated criteria. Any direct debit payment is subject to the Direct Debit Guarantee, which includes specific terms and conditions.

As part of my considerations, I cannot ignore that Miss R voluntarily actioned and signed up for the account switch online which would have meant reading and acknowledging important information about the account and switching service that Nationwide made available.

Within that information were the terms and conditions which form the basis of a financial contract. The regulator requires businesses to provide customers with information that is clear and not misleading to enable customers to make an informed choice about financial products. I'm satisfied that Nationwide's terms and conditions for the account switch are sufficiently clear, and that Nationwide required Miss R to confirm that she had read and understood them.

In summary, Nationwide are not at fault and didn't make any errors, and the fact remains that Miss R clicked through, and accepted all the relevant information for the account switch including the criteria to qualify for the incentive payment. It's vital that customers who commit to arrangements online are 100% clear on what they're committing to, prior to agreement.

While Miss R is likely to be unhappy with my decision, taking everything into account I think Nationwide have acted fairly and reasonably in the information they provided, and how they treated Miss R.

### **My final decision**

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 6 May 2024.

Chris Blamires  
**Ombudsman**