

The complaint

Ms H is unhappy that Newcastle Building Society (NBS) incorrectly changed her account details leading to post and personal documents being sent to her old address.

What happened

Ms H changed her address by phone at the beginning of January 2024. NBS required confirmatory documents and so Ms H wrote to NBS sending the documentation. In her letter, she requested the name change and confirmed the address change. But NBS incorrectly reversed the change Ms H had previously made to her address. As a result, her documents were returned to the wrong address and the letter was opened by the new residents. Ms H was very upset by this as she'd previously been the victim of fraud and felt that this could've left her open to identity theft. Ms H complained to NBS.

NBS accepted there'd been a mistake and apologised. It sent Ms H compensation of £50 by cheque. Ms H rejected the offer of compensation and referred her complaint to this service.

Prior to our investigator looking into the complaint, NBS intervened and offered an extra £150 in compensation, bringing the total to £200. Ms H was told about this offer but rejected it. So, our investigator looked into the case in detail. Having done so, she felt that £200 wasn't enough to compensate for the distress Ms H had been caused and said £300 was a more appropriate amount. NBS agreed but Ms H didn't. So, it's been passed to me to decide

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 can see from the testimony Ms H has given us that this all happened at a very difficult time for her in view of her health. I do hope that she is now recovering. NBS accepted it made an error and made an offer of compensation. So, I don't need to decide that. The decision for me now is what level of compensation is right to make up for the distress Ms H has been caused.

I think it's important to clarify here how I'll be assessing the level of award. This service isn't a regulatory body or a Court of Law and doesn't operate as such. When we make awards of compensation we are not looking to fine or punish a business for getting something wrong, but to find an award that fairly and reasonably compensates the consumer for the wrong that has been done. So, I'll be looking at the actual impact on Ms H, not the impact which could've happened.

Ms H has told this service in her submissions that the information on the documents she shared with NBS were very personal. So, she is particularly upset that this information has now been seen by others. And her other point is that by sending the information to the wrong address, there was the potential for identity theft putting her at risk of fraud.

I understand Ms H's thinking on this, and I can appreciate how upsetting it must have been

for her, particularly as she had previously been the victim of a scam. But, in my opinion, there are aspects of this case which mean I can't hold NBS solely responsible.

Ms H has told this service that the address NBS sent the information to incorrectly is now lived in by her son and daughter-in-law. And so, when the letter was delivered, it came into the hands of a family member. Ms H tells us that she asked her daughter-in-law to open the letter and send her a photograph of the contents. It's when this was done that Ms H realised what had happened.

I don't think this was foreseeable to NBS. I think it would be reasonable for NBS to believe that if a letter was delivered to a wrong address, it would either be returned to sender or passed on to the correct person (if their new address was known), unopened. NBS didn't know that Ms H's son lived at her old address, nor that she would ask her daughter-in-law to open the letter. So I don't find that I can hold NBS responsible for Ms H's information being seen by her daughter-in-law.

But, NBS did send the information to a wrong address and the fact that post has been sent to the wrong person is upsetting. And I think given Ms H's earlier experience of having been scammed, she would've been more anxious about it than others might have been. So I think it's right that NBS compensate for the distress and inconvenience. I've considered what Ms H had to do to get matters corrected and also read what the mistake made her feel like. Having done so, I think the award suggested by our investigator of £300 is reasonable. I say that because no actual fraud has been identified and the viewing of the information was authorised by Ms H.

Putting things right

I think a fair and reasonable way to resolve this complaint is for Newcastle Building Society to pay Ms H a total of £300 in compensation for their error.

My final decision

My final decision is that I award Ms H the sum of £300 in total compensation and direct Newcastle Building Society to pay that amount to her if she accepts this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 8 October 2024.

Stephen Farmer
Ombudsman