

## **The complaint**

Mrs E complains on behalf of herself and Mr E that Nationwide Building Society authorised a payment on her credit card which took her over the credit limit.

## **What happened**

In September 2023 Mr E and Mrs E went on a cruise. Mr E fell ill and had to spend some time in the ship's hospital. He was subsequently taken off the ship and admitted into a hospital on the mainland on 5 October 2023.

During the time that Mr E was in hospital, Mrs E received a call from Nationwide advising her that the credit limit on her credit card had been exceeded. Mrs E queried this and was advised that on 9 October 2023 the cruise company had claimed payment of £5,040.03 owed for medical expenses and the payment had been authorised which took Mrs E over her credit limit. Mrs E asked what the credit limit was and was advised that it was £2500.

Mrs E contacted Nationwide on 10 November 2023 and said she wanted to clear the balance on the account. The agent provided Mrs E with the sum she needed to pay to clear the amount she was over her credit limit by, and not the full balance on the account.

Mrs E complained to Nationwide, and said she was unhappy that they had authorised a transaction which took her over her credit limit, and that she was unhappy that she hadn't been able to use her card because it had been blocked and she had instead had to use her debit card which had incurred charges of £35.76.

Nationwide partially upheld the complaint. It acknowledged that the agent had provided Mrs E with the amount needed to clear the amount she was over the credit limit by, and not the balance required to clear the account. It said this shouldn't have happened and to apologise for the inconvenience and frustration caused it paid compensation of £60. In relation to the transaction, Nationwide said it didn't agree that it had done anything wrong when the cruise company used the authorised card to claim payment due.

Mrs E remained unhappy and brought her complaint to this service.

Our investigator didn't uphold the complaint. He said he didn't think Nationwide had been unreasonable in allowing the payment claimed by the cruise company. He said that Nationwide had apologised for any distress and inconvenience caused and that the compensation paid was reasonable.

Mrs E didn't agree. She said the compensation paid was for the misinformation provided by the agent about the amount needed to clear the balance on the card and didn't include the charges that she'd incurred on her debit card. Mrs E said she thought that Nationwide should've telephoned her before allowing the payment claimed by the cruise company, which would've given her the opportunity to decide how to pay the hospital charges. Mrs E said that since she lodged her complaint with this service, her insurers had reimbursed her for the hospital charges, but she wanted an explanation from Nationwide as to why it felt it could allow the transaction in the first place and compensation for the distress it had caused.

Nationwide said it would be willing to pay further compensation of £100 for the distress and inconvenience caused to Mrs E. it said it had taken into account that she incurred some additional charges when using her debit card.

Mrs E still didn't agree. She said she'd had 4 weeks of stress as a result of Nationwide's decision to allow the payment without her knowledge or authorisation, which added to the worry that she was already experiencing as a result of Mr E's illness. Mrs E said she wanted compensation of £5000.00.

I issued a provisional decision in which I said the following:-

Nationwide has acknowledged that its agent didn't provide Mrs E with the correct figure when she called to ask how much she needed to pay to clear the balance on the account. It has apologised for this and has paid compensation of £60.

In relation to the transaction involving the medical fees, Nationwide's position is that it hasn't done anything wrong.

I understand Mrs E's frustration. She's said that she would've expected to be informed by Nationwide before it allowed the transaction, because it was such a large transaction and one which was going to result in the credit limit on the account being significantly exceeded.

I also understand how distressing this experience must've been for Mrs E. I appreciate that she will already have been very concerned about Mr E's health, and the unexpected transaction on her account only served to add to her distress by causing her to worry about how she was going to clear the balance on the account so she could use the card whilst abroad. Mrs E was also caused significant inconvenience as she had to make several calls to Nationwide to try and sort things out.

I've thought about whether Nationwide made an error or treated Mrs E unfairly when it allowed the transaction to go through. Nationwide has explained that there are circumstances in which payments may be requested that take a customer over the credit limit. It says that depending on how the account has been conducted and how the payment has been authorised, it may allow transactions which take the account over limit. Nationwide says that it doesn't charge additional fees for this.

From Nationwide's perspective, I can see that it thought it was appropriate to allow the account to go over limit because of the nature of the payment i.e., for medical expenses. I don't think this was unreasonable.

I appreciate that Mrs E believes that Nationwide should've contacted her before allowing the transaction. However, if Nationwide was required to contact a customer each time it was presented with a transaction which would take an account over limit, it wouldn't be a proportionate use of resources.

Mrs E has referred to the transaction as being "unauthorised" in her response to the investigators view. I don't think the transaction was unauthorised. Mrs E (or Mr E) provided the cruise company with the credit card details and gave a general authorisation to charge the account for payment. I wouldn't regard this as unusual in the context of a cruise.

That said, I don't think Nationwide has done enough to recognise the impact of the blocking of the card and the incorrect information about the balance. Mrs E's circumstances at the time meant that she was caused significant distress at having to make calls and make unexpected payments at a time when her husband was seriously ill in a foreign country. For this reason, I think the compensation should be increased by £190, bringing the total

compensation to £250.

I invited both parties to let me have any further comments they wished to make or arguments they wished to raise.

Nationwide replied and said it accepted the provisional decision. Mrs E replied and said that at the time when Nationwide authorised the payment of £5040.03 to the cruise company, it didn't know what the payment was in respect of. She said she wanted to know how the payment could've been authorised as it was such a large sum of money. Mrs E said that Nationwide should've checked with her first in order that she could've contacted the cruise company about the charges. Mrs E said she thought further compensation should be paid.

### **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 taken Mrs E's further comments into account. However, as I've said in my provisional decision, I don't think Nationwide made an error or treated Mrs E unfairly when it allowed the transaction to go through. Even if Nationwide didn't know what the payment was in relation to, I still don't think it was unreasonable to allow the transaction, because Nationwide can take into account things like how the account has been managed and how the payment has been authorised.

Taking everything into account, my view remains the same as set out in my provisional decision.

### **Putting things right**

To put things right Nationwide Building Society must pay further compensation of £190 to Mrs E, bringing the total compensation to £250.

### **My final decision**

My final decision is that I uphold the complaint. Nationwide Building Society must pay further compensation of £190 to Mrs E.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E and Mrs E to accept or reject my decision before 7 July 2024.

Emma Davy  
**Ombudsman**