

The complaint

Mr H complains about the difficulties involved when trying to open a Flex Regular Saver savings account and the information given by Nationwide Building Society

What happened

Mr H says around 15 September 2023 he tried to open a savings account with Nationwide. He has told our service the application failed, and he received a message telling him he wasn't eligible for the product and that he should try again later.

When Mr H tried again later, he was successful. He then made two attempts to open a joint savings account, but the application was declined both times. He says he called Nationwide and was told there were known technical issues and that he should try again after the weekend. He did as he was advised, but encountered the same problem.

Mr H says he called Nationwide again but was told his joint application had been unsuccessful due to limitations with the product applied for.

Mr H was unhappy with the advice he received and complained to Nationwide about the issues he'd encountered during his account opening attempts. He said he didn't understand why he'd encountered issues, and felt he hadn't been given an explanation. He said he didn't think the process was facilitating.

Nationwide issued a summary resolution communication, believing the matter resolved, but Mr H remained unhappy and contacted our service. He told us he didn't think the customer journey worked and that it created obstacles for customers. He said he thought the message he received was spurious and that the failure of Nationwide's IT system had resulted in disruption that hindered customers in taking timely action to manage their financial affairs. In his complaint to us, Mr H also raised concerns about his joint application – though these concerns will be considered separately.

Our Investigator looked into Mr H's sole application complaint points and his joint account complaint points in the same view. They said Nationwide had been experiencing system issues around the time Mr H first tried to apply online, and felt it was likely this is what had prevented Mr H from opening his account on the first attempt. They considered Mr H's comments about being prompted to try again, and noted he later did so, successfully opening the account. The Investigator said this was reasonable and didn't uphold the sole application element of the complaint.

But as the Investigator upheld some of the matters relating to the joint account application, Nationwide responded to the assessment in full. It said there was no record of Mr H using his online banking between 12 September 2023 and 20 September 2023. Nor was there any other evidence of attempts to open an account during this time. It said it found an application attempt on 21 September 2023, which was unsuccessful due to a known technical issue – which was resolved the same day. It said Mr H's online banking records reflected that this had been a 'backend' error, and whilst it couldn't say exactly what Mr H would have seen at the time, he would likely have been notified of the technical issue at that point. Nationwide

said the application was successfully completed the following day.

This persuaded the Investigator that Nationwide hadn't done anything wrong in relation to Mr H's sole account and so they issued a second view on the matter.

In their second view, the Investigator explained the additional information Nationwide had provided helped build a timeline of events. This timeline persuaded the Investigator that no application had been made between 12 and 20 September 2023, with the first attempt taking place on 21 September 2023.

The Investigator said Nationwide had supplied evidence which demonstrated Mr H had encountered a technical issue on that date, so didn't think Nationwide had made an error if it had told him the system issue was the reason the application didn't proceed. The Investigator felt that Nationwide had given the correct information to Mr H about the application he'd made, and didn't think Nationwide had done anything wrong.

Mr H didn't agree with the Investigator's opinion and asked for the complaint to be passed to an Ombudsman to decide.

Once the case was passed to me, it became apparent that the concerns brought to our service, whilst interlinked, related to a sole account application and a joint account application. As the joint applicant isn't a complainant for the purpose of Mr H's sole complaint, I've separated the matters out into two decisions, and have detailed my findings relating to Mr H's sole account application below.

I issued a provisional decision on this complaint. It said:

'Mr H hasn't provided any evidence which supports his testimony of making an unsuccessful application on 15 September 2023, or that shows he received a message about system issues or ineligibility for his sole account. Nationwide's systems show no account applications were made until his first attempt on 21 September 2023. Whilst I can't know for sure, I think it's likely that Mr H is referring to this application attempt when he talks about receiving a message regarding his failed application.'

Nationwide has said there were system problems during this time which caused issues for applicants. And so I think that, had a message been displayed which stated he should try again later, this would have been correct. Mr H told us in his initial submission that the message he was shown said he wasn't eligible for the product. And if Nationwide told him this, it wouldn't have been correct as he successfully opened a sole account the following day, so would have also likely met the eligibility criteria when he first applied.

But where a financial business has done something wrong, or said something which isn't correct, I must also think about the impact of this on its customer. To award compensation for a mistake, rather than the impact of the mistake, could be seen as punishing a business – and that isn't something I am able to do. Having considered the circumstances of Mr H's sole account application, and what I know of the impact, I haven't identified any failing from Nationwide which I think caused Mr H to lose out in any notable way, or to a degree which I would deem sufficient to require a compensation award, or other direction from me to Nationwide.

The issue Mr H encountered appears to have been fixed relatively quickly, with Nationwide having told us that the problem was resolved the same day – and I have no reason to doubt this. Businesses sometimes suffer from IT issues, and I'd generally expect them to have contingencies in place to facilitate repair in order to minimise disruption to customers. From what I've seen so far, I think this is what has happened here. Whilst it would likely have been

possible for Mr H to complete an application on 21 September 2023, he successfully did so the following day, seemingly without incident. And so I don't think Nationwide has done anything wrong here. And, if it gave him the wrong information about his eligibility status, this doesn't appear to have had any impact as he still attempted his application again.

Because of this, whilst I understand this may be disappointing for Mr H, I'm not currently minded to uphold this complaint.'

Mr H didn't respond to my provisional decision, but Nationwide replied to say it accepted my findings.

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.

Having done so, I see no reason to depart from my provisional findings. I say this as I've been presented with no new evidence or arguments to consider, and so my findings and decision remain that Nationwide doesn't need to do anything in relation to this complaint.

My final decision

My final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 16 January 2025.

James Akehurst
Ombudsman