

The complaint

Mr and Mrs H complain that Nationwide Building Society (Nationwide) increased the amount of money that could be held in their loyalty savings account in 2020 but didn't notify them. They also complain about the way Nationwide has handled their complaint.

What happened

Mr and Mrs H had a loyalty savings account with Nationwide which was opened in 2012. It offered a preferential interest rate and at that time the maximum amount of money that could be deposited into the account was £50,000.

In June 2022, while raising another complaint, Mr and Mrs H found out that on 1 May 2020 Nationwide had increased the account deposit cap to £5,000,000. They complained that they hadn't been notified about this change at that time.

Mr and Mrs H felt they had missed the opportunity to place more money in their loyalty savings account and therefore earn a higher rate of interest. They noted that they had been informed about changes to other accounts but not this one and they felt Nationwide had been inconsistent and unfair. They also highlighted that they had signed up to a Nationwide scheme called 'SavingsWatch' which was meant to notify them of developments relevant to their savings considerations.

Nationwide responded to this complaint and initially suggested it had told members about this change but when this was probed by Mr and Mrs H it changed its position. It later advised that the change to the deposit cap was a positive change, and it was only obliged to let its customers know about negative changes. It said it didn't think it had done anything wrong in relation to the deposit cap.

Mr and Mrs H didn't feel this was fair. They said they were longstanding members of Nationwide and they felt let down. They highlighted it couldn't be a positive change for members if they weren't aware of it.

Mr and Mrs H brought their concerns to our Service. They felt they'd lost out on £588 interest and they said that Nationwide was potentially disadvantaging thousands of loyal customers with a deceitful omission. Mr and Mrs H wanted Nationwide to properly address this issue.

Our Investigator initially looked into the complaint and didn't uphold it. They were satisfied that Nationwide had met the requirements of the terms and conditions (T&Cs) by advertising this positive change in branch. They also felt the evidence indicated Mrs H had opted out of SavingsWatch in 2016 and Mr H hadn't registered at all so they wouldn't have been notified of the change via this channel.

Mr and Mrs H disagreed. Mrs H said she never opted out of SavingsWatch and so should have received this communication. They weren't convinced the branch notification had occurred and noted this change had happened in the middle of the global pandemic when they were asked not to attend branch. They also didn't feel that the branch notification was sufficient as they were elderly and rarely visited the branch which was some distance away.

They didn't think the change had been advertised on the website as they said Mrs H researched rates and would have seen this. Mr and Mrs H also raised a number of concerns over the misleading information they'd been given over the course of this complaint.

Nationwide later clarified that it had given incorrect information to our Service and Mrs H hadn't ever opted out of SavingsWatch. It compensated Mrs H £380 for this error and for another issue she also complained about around that time.

There was then significant back and forth between the parties involved in this complaint and our Service. Our Investigator issued two further views about this complaint both of which upheld Mr and Mrs H's concerns. Ultimately, the Investigator was of the opinion Mrs H wasn't sent the update via SavingsWatch and she ought to have been. So, they felt Nationwide was responsible for their loss of interest. After reviewing evidence from both parties about how much interest was lost, our Investigator recommended Nationwide pay Mr and Mrs H an additional £254.26 plus 8% simple interest from 19 July 2021 (when Nationwide said Mr and Mrs H had received additional funds that they could have saved) until 30 June 2022 (when Mr and Mrs H transferred the funds into their loyalty savings account).

Nationwide accepted this view, but Mr and Mrs H did not. They had a number of concerns including the fact that they didn't feel the Investigator had recognised the distress and inconvenience this complaint had caused. So, the complaint was passed to me to consider.

After reviewing the evidence, I contacted Nationwide with evidence Mr and Mrs H provided which they said showed they had additional funds to deposit earlier than July 2021. I queried the loss calculations made in light of this and asked for copies of earlier statements so I could better understand what funds Mr and Mrs H had available. I asked Nationwide to work out how much interest had been lost.

In response to my email, Nationwide provided amended figures which factored in the investment of these additional funds, calculating the loss as £704.55. However, Nationwide said it had since obtained copies of the SavingsWatch T&Cs and said that prior to September 2021 these did not require Nationwide to notify customers of improvements to product features. Given this, Nationwide said it didn't feel it was liable for Mr and Mrs H's loss of interest.

After reviewing and requesting additional evidence in connection with this complaint, I highlighted that the information I'd received was incorrect and the SavingsWatch T&Cs at that time required members to be notified of positive changes. Nationwide agreed and confirmed it would be willing to pay the £704.55 lost interest.

However, Nationwide later changed its position again. It said the SavingsWatch T&Cs from April 2016 stated that by subscribing to the service the customer is consenting to receiving marketing communications and that *'if you choose to opt out of marketing you will automatically be unsubscribed from the SavingsWatch service.'* It said Mrs H opted out of marketing on 1 October 2014 and hasn't been opted in since and this would be the reason she didn't receive notifications. Nationwide said that this requirement to be opted into marketing communications has since changed but it didn't clarify when. It said it was looking into whether its IT team could find any sent SavingsWatch communications or provide any other data and asked for more time to provide this evidence.

After allowing multiple extensions to deadlines, and considering all of the evidence, I felt that Nationwide had had ample time to respond to this complaint and to conduct a thorough and accurate review of the evidence. And so, to try to bring the complaint to a resolution for all

involved, I issued a provisional decision. This provided both Nationwide and Mr and Mrs H with the opportunity to respond before a final decision was made.

I said I intended to reach a different outcome to our Investigator, in brief I said that:

- The 2020 deposit cap increase was advertised on the website in line with the T&Cs of the account and that this was sufficient in the circumstances.
- The evidence indicates Mrs H never received SavingsWatch updates (and I thought this was most likely because she was opted out of marketing) but that she ought to have. However, I was of the view that I couldn't fairly hold Nationwide responsible for the fact Mr and Mrs H weren't aware of the deposit cap increase as Mrs H signed up sometime between 2013 and 2015 but didn't receive any emails and never sought to raise this with Nationwide.

So, I didn't think Nationwide should pay Mr and Mrs H any financial loss. But I said that Nationwide's error and its poor handling of the complaint, including miscommunication, had caused Mr and Mrs H distress and inconvenience over a prolonged period of time. So, it ought to pay Mr and Mrs H an additional £210 to recognise this. Nationwide accepted my provisional decision.

Mr and Mrs H welcomed aspects of it but made some further representations – they felt Nationwide should pay the interest they'd lost out on. They raised a number of points, but their main argument was that Mrs H never opted out of marketing.

In support of this argument, Mrs H shared evidence of marketing emails she'd received from Nationwide. Mrs H said she normally deleted read emails that weren't of interest but has kept them of late given her ongoing complaint. Mrs H also explained that after looking into these emails she'd realised that she had received SavingsWatch communications but they weren't labelled as such within the emails – it was only after looking at the email address in detail that she realised this.

Mr and Mrs H also expressed their frustration that Nationwide's '*lies*' had yet again wasted their time and energy and Mrs H explained she'd spent hours trawling through her email account locating emails to share with our Service in support of her testimony.

After carefully reviewing this new evidence, I issued a further provisional decision in which I changed my findings in relation to the SavingsWatch updates. In brief, I said I thought it was most likely these were sent to Mrs H but that they were somehow missed or overlooked. So I wasn't persuaded Nationwide were responsible for the fact Mr and Mrs H remained unaware of the 2020 deposit cap increase.

Nationwide accepted my provisional decision.

Mr and Mrs H also decided to accept my provisional decision. But they explained that they didn't agree with this finding about the SavingsWatch email. They had noted this was subjective and felt it was offensive to suggest that the failure lay with them and/or accuse them of being dishonest. Mrs H said she did not skim read and felt the attention to detail she had shown over the course of the complaint supported her account that this wouldn't happen. Mrs H said she checked her junk mail as she runs a successful, busy business and didn't feel the email would have gone into her junk mail in any event. Mrs H said it was more likely Nationwide didn't send her this email given the number of errors over the course of the complaint.

Mr and Mrs H stressed they'd been honest and open throughout the complaint and tried to respond promptly. They felt Nationwide's conduct had been the exact opposite and it had

been allowed to get away with this – they felt it was quite wrong that there were no sanctions for Nationwide's behaviour over the course of their complaint.

I'm now in a position to issue a final decision on this 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 carefully read all of the correspondence our Service has been sent and I understand the sequence of events that led to this complaint as well as the confusion that has arisen subsequently. That being said, my decision will only address Mr and Mrs H's complaint about the fact Nationwide failed to notify them of the increase in the deposit cap on their savings account in 2020 and the communications surrounding this. This means I will not consider the other complaints which have been raised separately. I also won't address every point or comment raised. I mean no discourtesy by this, it simply reflects the fact our Service is an informal dispute resolution service, set up as a free alternative to the courts. So, in deciding this complaint I've focussed on what I consider to be the key issues, rather than considering every point in turn.

I think it's important to stress that it's not our Service's role to punish or sanction businesses – that would be the remit of the regulator, the Financial Conduct Authority (FCA). My role is to investigate whether Nationwide has made any errors and if so try to put Mr and Mrs H back into the position they would have been in had this not happened - providing compensation for distress and inconvenience where necessary.

The crux of this complaint is whether Nationwide fairly communicated the changes to its loyalty savings account deposit cap.

The savings account T&Cs in place at that time state that if Nationwide believes the change is not to a consumer's disadvantage, it may tell the consumer about it in at least one of the following ways:

- displaying information in branch
- displaying information on its website
- advertising in the press

Putting aside whether the advertisement in branch was sufficient in these circumstances, I've seen evidence to show that the increase in the deposit cap was advertised on the savings page of Nationwide's website in May 2020. Which means I do think this change was sufficiently advertised by Nationwide in line with the T&Cs of the account.

I appreciate Mr and Mrs H don't think this is enough. They have raised that the savings page is not sufficiently prominent and they wouldn't visit this unless they were looking to take out a new product. They are also unhappy with the principle behind Nationwide's T&Cs which mean loyal customers aren't individually notified about changes that could benefit them. They have mentioned the impact they believe this issue might have had on other customers and they are concerned about the morality of Nationwide's policies generally. However, our Service doesn't regulate building societies or the processes they put in place. This would be for the FCA who is the regulator of financial services. We offer an informal dispute resolution service, and my role here is to consider whether Nationwide has treated Mr and Mrs H fairly, and then to try to put Mr and Mrs H back into the position they would have been in had

mistakes not been made. And whilst I appreciate this will come as a disappointment to Mr and Mrs H, I don't think the way Nationwide chose to advertise this change was unfair in light of the account T&Cs. I say this observing that I think the main savings page of the website is not an unreasonable or obscure place to advertise a change to a savings account.

Of course, the other part of Mr and Mrs H's argument is that Mrs H was signed up to SavingsWatch and as such, she ought to have been notified about the changes via this channel of communication. So, I've thought carefully about this.

Everyone now agrees Mrs H was registered for SavingsWatch. Mrs H has also shown that she has received some SavingsWatch and marketing emails (albeit after 2020). And so, based on the evidence I've seen, I think Mrs H is opted into marketing, was likely opted into marketing in 2020, and ought to have received the SavingsWatch email in question.

I have no reason to doubt Mr and Mrs H's account that they were unaware of the deposit cap. And yet Nationwide has provided a copy of the email that it says was sent round to members of SavingsWatch. So, I have incomplete and conflicting evidence here.

Where this is the case, I have to decide what I think is most likely based on the evidence available to me. I've carefully reflected on all of the evidence provided to me to date when considering this issue given that it's at the heart of this complaint.

Mr and Mrs H feel the 2020 SavingsWatch email about the deposit cap increase has been fabricated by Nationwide and that it wasn't sent to anyone at the time. Given the volume of incorrect information it has provided, I can understand why they feel like this. That being said, having reviewed all of the evidence, I think Nationwide's changing stance is more likely a result of individual errors rather than a deliberate attempt to deceive. I say this noting that at points Nationwide has agreed it made mistakes and offered to pay Mr and Mrs H's financial loss; if it was attempting to cover things up, I don't think it would have done this. So, I'm not persuaded this email was fabricated.

I think there are a further two alternative explanations. One is that Nationwide's system failed to send the relevant email, and perhaps others - so Mrs H was receiving a selection of SavingsWatch emails. The other is that Mrs H was sent the relevant SavingsWatch email but she didn't see it. Either because the entire email was missed, it went into a junk folder or the relevant point about the deposit cap increase was overlooked.

Nationwide hasn't shown categorical evidence that it sent Mrs H that email – so its version of events relies on Mrs H's SavingsWatch sign-up status and the template mailing letter. But I wouldn't necessarily expect a business to keep an audit of marketing emails sent to a consumer. So, I don't think the lack of evidence here is pivotal in my decision making either.

Mrs H says she was never sent the relevant SavingsWatch email. She said she is confident it didn't go into her junk email, which she checks, and notes other emails from SavingsWatch have arrived in her normal inbox. Mrs H is adamant that she would not have missed either the email or the relevant section of content either.

I appreciate Mrs H's point that it's harder for her to prove she didn't receive an email than it is for Nationwide to prove it was sent. And I agree that Nationwide's evidence has shifted on multiple occasions bringing its reliability into question. But I do have evidence from Mrs H that she was receiving some SavingsWatch emails. And I have no plausible explanation as to why a mailshot, sent out automatically by Nationwide's computer system, would be sent to some customers and not others but only on some occasions. And so, taking everything into account, I think it's more plausible that a single email was overlooked by Mrs H, rather than that there was a selective malfunction with Nationwide's mailing. I'd like to emphasise that I

don't doubt Mrs H's honesty and that she's a diligent person, but even diligent people can miss things. For example, I note Mrs H's testimony to our Service was that that she wouldn't have missed the advertisement for the deposit cap increase if it had been put on Nationwide's website because she watched rates and researched, but it's now evident this was on the website and it's something she didn't see at that time.

So overall, I'm not persuaded that Nationwide has acted unreasonably in relation to this SavingsWatch email.

But I do think Nationwide has made a number of errors in the way it has handled this which has caused Mr and Mrs H distress and inconvenience. Some of these are detailed in the summary above, but not all. Given the details of this complaint are well documented and known to both parties I don't intend to recap all of the mistakes within this decision. But I do think it is important to stress that Nationwide has provided inaccurate and contradictory information on multiple occasions relating to crucial information.

Mr and Mrs H feel Nationwide has intentionally set out to deceive them and shut down their complaint. And given the number of errors that have been made and the new evidence it has provided at various stages when the complaint neared resolution, I can understand why they feel like this. That being said, as outlined above, having reviewed all of the evidence, I think its changing stance is more likely a result of errors rather than a deliberate attempt to deceive. I recognise the depth of Mr and Mrs H's concern here and will consider this in terms of the impact on them. But I do also think it is important to emphasise that it is not our Service's role to punish businesses.

What I need to consider is whether the compensation Nationwide has offered is sufficient in the circumstances taking into account the impact on Mr and Mrs H.

Nationwide has already made two relevant payments to Mr and Mrs H.

The first was for £200. This was for poor service in relation to both this complaint and the original complaint they were raising when they found out about the 2020 deposit cap increase. In particular, the evidence indicates this award covered the conflicting information Mrs H received about whether SavingsWatch notifications were sent; delays and poor communication in response to both complaints; as well as the way certain staff members spoke to Mrs H. Mr and Mrs H considered the compensation received for the way Mrs H was spoken to sufficient and haven't asked our Service to look at this. I'm also not looking into the original complaint they were raising when they found out about the deposit cap increase. So, it seems to me that some but not all of this compensation is in relation to the issues I'm looking at within this decision. In light of this, I think it's fair to say around £100 was awarded for issues relevant to this complaint.

The second award was for £380. This was for providing incorrect information to our Service and for another complaint that's being considered by our Service separately. Mrs H has told our Service that she was told this was £150 for each issue and £80 extra for the aggravation and extra work these caused. So, it seems that £190 of this was for this particular complaint, bringing the compensation paid in relation to the complaint I'm considering in this decision to a total of £290.

Mr and Mrs H clearly feel very strongly about what's happened. It's had a significant impact on their trust in Nationwide and the issues encountered have taken up their time and energy. Mr and Mrs H have ended up moving the majority of their funds away from Nationwide and Mrs H has become quite upset when trying to discuss this complaint with our Service which reflects the distress experienced. She's told us that this complaint has had an impact on

Mr H's health and I have heard that at one stage they were fearful Nationwide would close their accounts due to the number of complaints they were raising.

In reaching my decision, I need to take into account that some of the distress and inconvenience Mr and Mrs H have experienced is a result of the other complaint issues which I am not considering in this decision and cannot award for. So, whilst I appreciate that Mr and Mrs H have experienced all of their complaints as one ongoing issue with Nationwide, I cannot compensate them for all of the distress or inconvenience they've experienced. Just that which I think has been caused by this specific complaint.

The evidence shows Nationwide's handling of this complaint has caused additional and unnecessary confusion and prolonged things for Mr and Mrs H – this has added to the inconvenience and distress they have experienced. This complaint has been unresolved for two years and whilst I don't think Nationwide is entirely responsible for this timeframe (the process of complaint escalation naturally takes time and our Service has required review periods), I do think it is responsible for the majority of the delays by virtue of the poor communication, delayed responses and incorrect information. I also think its changing stance on what it is responsible for and willing to pay to resolve this complaint has mismanaged expectations and caused additional frustration and disappointment.

Taking into account all of the above, I think Nationwide need to do more here to put things right. I think a total award of £500 is fair in the circumstances which mean I think it needs to pay Mr and Mrs H an additional £210 for the distress and inconvenience caused.

My final decision

I partially uphold this complaint and direct Nationwide Building Society to pay Mr and Mrs H a further £210 for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs H to accept or reject my decision before 9 September 2024.

Jade Cunningham
Ombudsman