

## **The complaint**

Mrs W complains that Nationwide Building Society told her incorrect information about a payment holiday on her personal loan.

## **What happened**

Mrs W says that she asked Nationwide for help regarding her personal loan repayments due to financial difficulty. She says they suggested to take a three month payment holiday. Mrs W says she was struggling with her mortgage after a bereavement, and her repayments increased due to interest rates rising, so she says Nationwide told her she could have a break on her personal loan repayments until 15 March 2024, and they changed her repayment date to the 28<sup>th</sup> of the month.

Mrs W says that instead of her having the payment holiday until 15 March 2024, Nationwide collected the repayment in January and February 2024. Mrs W contacted Nationwide, and she says she was told wrong information which made her cry on the phone. Mrs W made a complaint to Nationwide.

Nationwide upheld Mrs W's complaint and awarded her £150 compensation. They said on 26 January 2024, they told her they'd push her next loan payment back to 15 March 2024, but the call handler should have told her 15 February 2024, but the repayments for January and February were still collected. Nationwide said on 28 February 2024, the call handler should've done more to help Mr W given that she was so upset at the thought of not being able to repay her mortgage. Mrs W brought her complaint to our service.

Our investigator did not uphold Mrs W's complaint. He said Nationwide accepts that there's been errors made here. Firstly, the call handler shouldn't have told her they could delay the repayments until March, as Nationwide could only delay the payment until February, not March. And secondly, as this wasn't actioned correctly, the payments in January, and February were collected. He said the £150 Nationwide paid her was fair.

Mrs W asked for an ombudsman to review her complaint. She said that she has lost out by around £400 due to the repayments and Nationwide only gave her £150.

As my findings differed in some respects from our investigator's, I issued a provisional decision to give both parties the opportunity to consider things further. This is set out below:

*"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*I can empathise with the position Mrs W found herself in here through no fault of her own. As she was financially struggling due to her circumstances, she asked Nationwide if they could help her with the loan repayments due to the rising costs of the mortgage, and the increased interest rates.*

*I've listened to the calls Mrs W had with Nationwide on 26 January 2024. And I can confirm Mrs W was told by the call handler that the latest she could move the direct debit to was 15*

March 2024, which was incorrect. Mrs W explained her financial situation to the call handler and her various health issues, which the call handler asks for Mrs W's permission to record this on their system, which Mrs W agrees to.

So when Mrs W finished this call with Nationwide, she would have been relieved to have not only changed her direct debit date to a day more suitable for her, but she was under the impression that she was on a repayment break until 15 March 2024. She would also think that Nationwide would be aware of her vulnerabilities as this would have been noted on their system.

When Mrs W spoke to another call handler about another personal loan that day she also told him that the next payment was 15 March 2024, and he doesn't tell Mrs W this is incorrect. Mrs W has to tell the call handler her vulnerabilities again, therefore it doesn't appear these were noted on the system by the previous call handler at the time. Or it could be the new call handler hadn't seen this note, or there was a delay in her profile showing the information she told the original call handler.

Mrs W rings Nationwide on 28 February 2024 to find out what her balance is. The call handler reads out three direct debits which debited her account that day including her Nationwide personal loan, which Mrs W tells the call handler it wasn't supposed to leave her account until 15 March after the call she had with them in January. Mrs W is transferred to a call handler who deals with the personal loans.

The next call handler tells Mrs W there is no repayment break on the loan, and there would need to be an income and expenditure form completed in order to set up a plan, and there wasn't one on their system. Mrs W tells her that she needs to pay the mortgage and she's struggling. Mrs W is audibly upset and is crying. The call handler tells Mrs W she would raise a complaint, and the call closes with Mrs W expressing her concern about the mortgage payment.

So I do think Mrs W was let down on the calls she had with Nationwide when she needed their help the most. I've considered what Mrs W has said about losing nearly £400. And while Mrs W was expecting not to make her loan repayments until 15 March 2024, the money she paid wasn't lost as this has been paid to reduce her outstanding loan balance, although I understand Mrs W didn't want this to happen.

I've considered what would be a fair outcome for this complaint. I'm unable to determine what would have happened if the initial call handler looked at forbearance options for Mrs W as she would have needed to have completed an income and expenditure form with Nationwide at the time. Depending on the outcome of the income and expenditure form, then Nationwide may have been able to assist Mrs W.

Nationwide have told us that the initial call handler should have said 15 February 2024, and not 15 March 2024. So it's possible that even if an income and expenditure form was completed that they might not have been able to offer a payment holiday until this date.

So I'm unable to say what position Mrs W would have been in if Nationwide had initially looked at different options to help Mrs W. Some of these options may have impacted her credit file. But while I'm unable to say what position Mrs W would have been in after her initial call in January 2024 with Nationwide if they had filled in the income and expenditure form, it's clear to me that they caused her distress and inconvenience with the customer service they gave her.

While the call handlers were pleasant with Mrs W, the first call handler set an expectation for Mrs W that she didn't need to pay until 15 March 2024. The second call handler in February

*2024 was closing the call while Mrs W was audibly distressed. And Mrs W had made it clear to the call handlers her vulnerabilities and her personal circumstances.*

*Nationwide paid Mrs W £150 for what happened here. But given her vulnerabilities, and her financial difficulties, I'm not persuaded that this is proportionate for what happened as the impact of Nationwide's errors would be greater on Mrs W than it would be for someone without her vulnerabilities. Mrs W was asked questions about her vulnerabilities on the second call she had in January 2024 when the initial call handler said she would record them on the system.*

*Mrs W was further inconvenienced to ring Nationwide up because her balance was lower than she thought. Mrs W was reduced to tears when she was told there was no plan set up, and while the call handler offered to complete an income and expenditure form on the second call, Mrs W was so distressed that she told the call handler she wasn't feeling well enough to do this. She had already told previous call handlers the impact that stress has on her.*

*If Mrs W is still experiencing financial difficulties I would urge her to speak to Nationwide to see what they can do to assist her. She should be made aware of her options and if any options would affect her credit file, so Mrs W can make an informed decision about what is appropriate for her.*

*So I'm persuaded that it would be proportionate for Nationwide to pay Mrs W a further £100 to total £250 compensation for what happened here based on the reasons I've given above. So it follows I intend to ask Nationwide to put things right for Mrs W."*

I invited both parties to let me have any further submissions before I reached a final decision. Neither party responded to the provisional decision.

### **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.

As neither party have provided me with any further information to consider, then my decision and reasoning remains the same as in my provisional decision.

### **Putting things right**

In the provisional decision I said I intend to uphold this complaint in part. I said I intend to ask Nationwide Building Society to pay Mrs W a further £100 compensation to total £250 compensation for distress and inconvenience. I'm still satisfied this is a fair outcome for the reasons given previously.

### **My final decision**

I uphold this complaint in part. Nationwide Building Society should pay Mrs W a further £100 compensation to total £250 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 20 September 2024.

Gregory Sloanes  
**Ombudsman**