

## The complaint

Ms Y says Nationwide Building Society unfairly reported defaults against her credit card and loan accounts.

## What happened

Ms Y's credit card and loan accounts fell into arrears and Nationwide wrote to her in April and May 2023 to let her know how much she owed and of the consequences of not paying on time. It said the credit card account would remain open for the balance to be repaid but not for general use. The loan account would remain open until repayment was made.

Nationwide reported the accounts as having defaulted.

Unhappy with Nationwide, Ms Y complained to this service. One of our investigators looked into the matter and recommended that the complaint should be upheld in part. They said some of the letters Nationwide had sent Ms Y hadn't been as clear as they could have been. They said this had caused her distress and inconvenience and that Nationwide should pay her £100 as compensation. The investigator didn't believe that the defaults were added unfairly.

Nationwide was ultimately prepared to accept the investigator's findings. Ms Y wasn't able to do so. She remained of the view that Nationwide had treated her unfairly overall. As such, the complaint was passed to me to review afresh.

I considered the complaint and issued my provisional decision advising that I intended to uphold it in part. I agreed with the investigator's findings in the main. Although I added that I also didn't feel that Nationwide had treated Ms Y differently on the grounds of race, as she'd also alleged.

Nationwide confirmed it had nothing to add to my provisional decision. Among other things, Ms Y was unhappy *'there has been no telling off'* of Nationwide. She felt £100 compensation was too low compared to Nationwide's failure to allow a transfer from her current account, which cost her £28,000. She said she tried to make an arrangement to pay Nationwide, but it prevented her from doing so.

## 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'm aware that Ms Y's made other complaints about Nationwide about the closure of her current account and other matters. In her responses to my provisional decision she also mentioned Nationwide refusing to allow her to make a transfer from her account causing her financial loss. Those matters were dealt with separately by this service and I won't be considering those issues here.

I also note, for example, that Ms Y's mentioned she felt Nationwide had treated her

differently regarding her current account because of her race. But that's something that's already been investigated as part of a separate complaint and was the subject of a final decision issued by one of my ombudsman colleagues. So, I won't consider that here.

Further, Ms Y's raised several points and questions in the course of this complaint. But, in-keeping with the quick and informal nature of this service, it's not my intention to respond to them all. Instead, while considering all the circumstances, I've focussed on the crux of the complaint – which is the actions of Nationwide in relation to the defaults.

In relation to the complaint I'm considering, I emphasise that I'm unable to decide whether Nationwide did or didn't breach the Equality Act 2010, as Ms Y suggests. We're an alternative to the courts and only a court can make a legal finding based on the definitions set out in the Act. But I can consider if Nationwide acted fairly and reasonably taking into account the law, among other things.

Having done so, I don't find that Nationwide treated Ms Y differently because of her race in relation to the defaults. I'll explain why.

Fundamentally, Ms Y entered into agreements to pay Nationwide back for the money she borrowed. This meant her paying an agreed amount on an agreed date each month for the term of the agreements. She didn't comply with those agreements.

Ms Y doesn't dispute that Nationwide wrote to her in relation to the loan and credit card accounts in April and May 2023 to confirm the accounts would be defaulted if the arrears that had accrued weren't cleared by the given dates. I believe the letters were sufficiently clear in this regard. I understand that those arrears weren't cleared in time.

That being the case, I'm satisfied Nationwide was entitled to report defaults on the accounts accordingly, even if this happened after Ms Y approached this service as she states. I'm not persuaded that Nationwide treated Ms Y differently because of her race.

I realise Ms Y says she wanted to pay £100 a month to clear her arrears. She's reiterated that desire in her response to my provisional decision. But I'm still not satisfied any such plan had been agreed by Nationwide or that it unfairly stopped her from doing so. I say that because, for example, during a call with Nationwide where she mentioned payments of £100, she was told it would need to complete an income and expenditure assessment with her first to ensure this was affordable for her. Nationwide asked her to call back to discuss this as she needed to end the call and it provided her with a number to call. Ms Y agreed to call back. Nothing in Nationwide's records of its contact with her – which it's provided to us – suggest any plan or arrangement had been agreed by the parties despite its attempts to arrange this with her.

I'm aware that Ms Y insists a plan was agreed with Nationwide over the phone. Before issuing my provisional decision, I asked it to check once again for any call records or recordings as I realise how strongly Ms Y feels about this. But no evidence of any agreement was found. In the absence of evidence of an agreement, I can't fairly say Nationwide's treated Ms Y unfairly, or differently on the grounds of race, in respect of this.

I recognise Ms Y's unhappy Nationwide sold her accounts to a third-party. She wants to repay Nationwide and no-one else. But, from experience selling debt on isn't an uncommon practice among lenders. And I haven't seen anything that meant Nationwide wasn't able to transfer Ms Y's accounts in the circumstances.

I understand how upsetting this has all been for Ms Y. But I'm not satisfied, based on the available evidence, that Nationwide acted unfairly or treated her differently in this regard.

Our investigator did, however, recommend that Nationwide pay Ms Y £100 as compensation for the impact of it falling below expected general standards of service, especially regarding the clarity of some of the letters it sent her. Taking everything into account including their impact, and while recognising Ms Y's strength of feeling on the matter, I think that amount's broadly fair in all the circumstances of the complaint. So, I won't ask Nationwide to pay more than that.

Finally, Ms Y refers to this service failing to tell Nationwide off. While this service can award compensation or require a financial business to put things right where things have gone wrong, we're not the industry regulator. As such, we have no powers to punish or fine – even if there's been unfairness.

### **Putting things right**

Nationwide should pay Ms Y £100 as compensation for any distress and inconvenience it's caused her, if it hasn't already done so.

### **My final decision**

For the reasons given, I uphold this complaint but only in part. I require Nationwide Building Society to put things right for Ms Y as explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms Y to accept or reject my decision before 4 October 2024.

Nimish Patel  
**Ombudsman**