

The complaint

Mr M complains that Nationwide Building Society provided him with a poor level of service concerning his claims and reimbursement of his call costs.

What happened

Mr M held a packaged bank account with Nationwide which included a travel insurance product. Mr M contacted Nationwide regarding a claim and said he was told Nationwide was responsible for deciding the claim. He said he asked Nationwide's call handler not to be transferred to the insurer, but this was ignored, leading to a considerably lengthy call. Mr M said Nationwide later confirmed this was an error and so he requested reimbursement for his call costs supported by the itemised cost along with a bank statement.

Mr M had a 'Chargeback Dispute' he tried to resolve with the merchant, but it was declined. He said that as the 120-day limit approached he asked Nationwide to confirm the deadline and he initiated the dispute on the final day, a weekend, but Nationwide said he was out of time, despite a previous email suggesting otherwise. Mr M said Nationwide's website indicated customers would be credited for disputed charges during its investigation, but this hadn't happened. Nationwide paid Mr M £30 compensation.

Nationwide closed Mr M's accounts due to a 'relationship breakdown.' Following several complaints Mr M remains concerned about the lack of compensation for the travel insurance issue and the inadequacy of compensation for the chargeback issue. And he hasn't been reimbursed for his call costs, which he thinks have been properly evidenced to Nationwide.

In its response, Nationwide apologised for its call handler passing Mr M to the insurer when advised the call would stay with Nationwide. It said there was no one at Nationwide who could deal with his insurance claim as these are decided by the insurer. Nationwide said it would review any charges incurred from this error. Nationwide said it does consider giving a temporary credit on chargeback disputes and reviews this on a case-by-case basis, but Mr M's claim didn't meet the criteria. Nationwide said it is within its rights to withhold temporary credits whilst it awaits the outcome of a dispute.

In response to Mr M's call costs, Nationwide questioned the call rate on his mobile provider's website and did not accept his bank statement as conclusive proof. Mr M said not all calls on the itemised phone bill were subject to reimbursement. Nationwide said it had paid Mr M's call costs on previous complaints based on similar evidence, but a significant difference in his claim and the pricing his phone provider is advertising, meant it needed more evidence.

Mr M responded that the phone provider's tariff is primarily designed for contract customers. He said in the country where he lives mobile phone providers do not issue itemised bills, this has to be requested and Nationwide hadn't asked for this before. Mr M asked that Nationwide not treat him differently than on his previous complaints.

Mr M wasn't satisfied with Nationwide's response and referred his complaint to our service. Our investigator didn't recommend it be upheld. He said Nationwide apologised for passing Mr M to the insurer and offered to review evidence of his call cost. The investigator said Mr M *'provided what is purported to be an itemised list of calls from his mobile phone provider'*, on which nine calls are listed, including one to Nationwide on the relevant day. He said this

lasted 12 minutes and cost about £60. He said the cost was high, but Mr M chose to call, and 12 minutes wasn't long to discuss the issue regardless of being passed to the insurer.

The investigator said that Nationwide had said it would review Mr M's evidence and having done so he didn't think it had acted unfairly by declining reimbursement. The investigator said that as to compensation Nationwide isn't responsible for Mr M being abroad when he called, so compensation wasn't necessary, and its apology is sufficient.

In relation to Mr M missing the deadline to raise a chargeback due to misinformation from Nationwide, the investigator said Nationwide gave Mr M the relevant deadline and he waited until that date to raise the dispute, and the claim was set up that day. Mr M sought reassurance from Nationwide on the timing but the agents couldn't confirm. However, Nationwide subsequently confirmed it was raised in time and paid Mr M £30 for providing conflicting information and a long hold time on a call, which the investigator said was fair.

Mr M disagreed with the investigator and requested an ombudsman review his 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 was sorry to learn that what should have been a straightforward process of Mr M making claims via his bank account has turned into a prolonged and drawn-out experience. Part of my role is to determine whether what took place was reasonable and whether Nationwide followed the process correctly.

Mr M complained to Nationwide about lack of compensation for the issue of his insurance claim, and the inadequacy of compensation for the issue of his chargeback claim. He told us the core issue is the call cost due to Nationwide's error in transferring him to the insurer. He said he advised Nationwide's call handlers he was calling from overseas. I have considered each of the issues he has raised.

Although insurance cover was arranged through Mr M's current account with Nationwide, it is clear from Nationwide's guide to the account that it acts as an intermediary for the insurance product. It's also clear that Nationwide does not determine the acceptance or otherwise of insurance claims and that claims will be decided and managed by the insurer.

I'm pleased that Nationwide apologised for misinforming Mr M about the call transfer concerning his insurance claim. Mr M's call was also to find out what information had been exchanged between the parties and so there was at least a further purpose involving Nationwide. And, as he was seeking information about his claim, Mr M was at least put through to the people who could address this, however unwelcome this was to him.

I have looked at the chargeback dispute raised by Mr M and the communications between the parties. From what I've seen, the chargeback dispute was raised by Nationwide on Mr M's behalf and on time, and so I don't think that I need to ask Nationwide to do anything more about this.

Mr M said Nationwide's website indicates that customers would be credited for disputed charges during its investigation, but this hadn't happened. Nationwide's website states: *'If we accept your dispute, we'll get your money back into your account within 3 days'*. But Nationwide had not accepted the dispute as it wanted to wait for a response from the merchant. Nationwide, in common with other banks, is entitled to determine each dispute on a case-by-case basis and can decide when it will provide a temporary credit whilst it waits for a chargeback to be completed. I think Nationwide has treated Mr M fairly here.

As to the reimbursement of Mr M's call costs, I can see his point that Nationwide made payment to him on his other complaints with proof of his costs. However, Nationwide is still entitled to satisfy itself that further call costs have been properly incurred and are in the

amount as claimed. And so its preparedness to meet previously claimed call costs does not have any bearing on its approach to the present complaint.

Mr M said the call involved an extended delay following the transfer. But from the records it appears the call lasted 12 minutes which doesn't seem to be a long call when we consider the time involved in passing security and reaching the right part of the bank. Notwithstanding this, Nationwide said it deemed the evidence provided by Mr M to be insufficient to cover the call costs claimed and asked him to provide information from his phone provider regarding its international calling costs. I think this is a reasonable request, particularly as there is a disparity between the tariff Nationwide has seen and the costs claimed.

And so although I sympathise with Mr M with the stress and costs of the time he has spent on the phone I think that given the amounts of money involved in his international calling it is reasonable for Nationwide to see some direct evidence of the costs involved.

I move now to compensation, which Mr M has requested for the mistakes that Nationwide has made. We're all inconvenienced at times in our day-to-day lives – and a certain level of frustration and minor annoyance is unwelcome, but to be expected. It's the impact of errors made over and above that which we consider to determine if an award of compensation is merited, and if so, how much. Having seen that no financial loss and only minor delay occurred, I find that the compensation paid by Nationwide is fair and reasonable in the circumstances of this complaint.

Our service investigates the merits of complaints on an individual basis. And that is what I've done here. I think it's important to explain that my decision is final. I realise that Mr M will be disappointed by this outcome though I hope he appreciates the reasons why it had to be this way. By rejecting this decision it will be of no legal effect and all other options remain open to him.

My final decision

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 25 November 2024.

Andrew Fraser
Ombudsman