

The complaint

Mr W complains Nationwide Building Society (“Nationwide”) haven’t paid him the incentive promised on the switching of his current account.

What happened

Mr W opened an account with Nationwide and completed a full switch of his existing account with another bank. He later realised he hadn’t been paid the advertised incentive of £200 so contacted Nationwide. It said Mr W didn’t qualify as he hadn’t met one of the conditions for the incentive, namely transferring two Direct Debits. Mr W thought he had done that and complained. He was also unhappy that partway through the process Nationwide appeared to close the complaint.

Nationwide didn’t uphold the complaint about the incentive payment. It sent a Final Response Letter (“FRL”) and follow up letter both on 7 August 2024. In the FRL it said as part of Mr W’s switch only one Direct Debit and one Credit Payment Arrangement (“CPA”) was brought over. After looking at the evidence Mr W sent from his electronic money provider Nationwide said this didn’t show a Direct Debit but an automated payment. And the second Direct Debit showing on his internet banking was set up after the switch, so didn’t qualify. Nationwide maintained that as two direct debits weren’t brought over as part of the switch Mr W didn’t qualify for the incentive. But it agreed it provided poor service when managing the complaint in mistakenly closing it early and offered to pay Mr W £25 to say sorry for that.

In the follow up letter Nationwide maintained it would not pay the incentive. Whilst it acknowledged that the electronic money provider could be set up as a Direct Debit they said it can also be set up with differing payment methods. Nationwide said they’d be prepared to review this if Mr W sent statements from his previous bank to show this payment to the electronic money provider was a direct debit. It confirmed Mr W had been given the correct advice by the chat agent and if a Direct Debit was missing Nationwide would take responsibility to pay any costs or fees for that error but as all payments automatically move during the switch Mr W would have to take this up with his previous bank to find out why it hadn’t been transferred. But in Mr W’s case, without any further evidence, Nationwide thought it appeared Mr W wasn’t missing a Direct Debit and the payment via this electronic money provider was set up as a CPA.

Mr W referred the matter to this service. He sent our investigator a screenshot of the wallet in his account with his electronic money providers account showing part of a Direct Debit review instruction. He told us he couldn’t see any differentiation between an automatic payment and Direct Debit on his account with this electronic money provider. And he sent us links from its website which suggested the electronic money provider saw an automatic payment was a direct debit.

Our investigator didn’t uphold the complaint as, he thought it didn’t appear that Mr W had met the criteria for transferring two direct debits as part of the switch application. The investigator wasn’t persuaded by the evidence Mr W sent in that the disputed payment was a direct debit. He thought the evidence showed it could also be a different type of recurring

payment such as a Standing Order or a CPA. He also thought – having set out the terms of the account switch offer clearly - it wasn't for Nationwide to warn the customers if one of the payments relied on didn't qualify. He thought it was up to a customer to ensure they adhered to the terms of the switch offer. In respect of the complaint handling issues the investigator explained why he couldn't look at that element for Mr W

Mr W disagreed he thought he'd provided ample evidence to show his electronic money provider regarded the disputed payment as a direct debit. Our investigator considered the comments but didn't change his view on the matter. He was still of the view that he hadn't seen any evidence to specify the payment in question was a direct debit. He explained to Mr W that whilst his electronic money provider may consider all automatic payments as Direct Debits it didn't necessarily mean the bank he was switching from (to Nationwide) had the same practice and he referred Mr W to that bank's website where the differentiated between different types of automatic payments. And looking back at the screen shots Mr W had originally sent to Nationwide - from his electronic money providers account - these only show it as an automated payments and didn't differentiate.

The case has come to me for a 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.

Having looked at all the information in this case, I've come to the view this isn't a complaint I can uphold. I'll explain why.

To qualify for the incentive payment on opening this account a number of criteria must be met, but there's only one that's disputed here relating to direct debits. The terms of the offer say a customer qualifies if *"You transfer a minimum of 2 active Direct Debits from the current account being switched to the Nationwide account as part of the switch. Direct Debits set up or transferred after your switch has been started won't count towards this offer. Other types of automated payments, such as standing orders and recurring card payments, are not Direct Debits and won't count towards this."*

The records from Nationwide sent for our investigation show two Direct Debits. But one of these clearly shows it was set up on 2 July 2024 - *after the account switch* had completed. Based on this alone the qualifying criteria above isn't met as two direct debits weren't in place *at the point of the switch*. The terms clearly state those set up after the switch don't qualify. So, I don't think Nationwide have done anything wrong in refusing to pay the incentive.

Mr W puts forward a couple of arguments to challenge this conclusion. Firstly, he's got screenshots showing two direct debits in place on his account. And secondly the payment to his electronic money provider - which Nationwide say is a CPA - is in fact a Direct Debit, so he thinks he should qualify. I'll deal with both in turn and explain why they don't change my view on this.

I've seen the screen shot Mr W sent Nationwide on 1 August 2024 of his internet banking. It was taken on 20 July 2024. Mr W says in the email this "appears" to show two direct debits. But that screen shot is just a snapshot of the account at the time it was taken. There's no dispute - at that point - Mr W had two direct debits as a second one was set up on 2 July 2024. But that's not the incentive qualification criteria, they had to be in place and come across *at the time* of the switch. And the account records from Nationwide record only one Direct Debit in place at the time of the switch. So, this information doesn't alter my view.

A Direct Debit is a consumer's authority to allow an organisation (the "originator" or "payee") to claim a varying amount of money, on a varying day from their account. It's also the consumer's instruction to *their bank or building society* to allow the payments to be taken. So, the money is claimed from a consumer's account by the originator. Despite separate invitations from both Nationwide and our investigator to send statements from his previous bank showing this payment as a Direct Debit Mr W has not done so. He told our investigator he was unable to get these but hasn't said why. That's disappointing as it's likely to have clarified the issue easily. Nor has Mr W produced the original Direct Debit mandate or guarantee. Instead, he's sent extracts from his account with an electronic money provider - to which his original bank account is linked - showing regular payments. I'm afraid that's not the same thing and doesn't persuade me this payment is a Direct Debit. Nor does the undated photo of a partial computer screen which Mr W sent to our investigator on 3 September 2024 - describing it as a screenshot - which he said showed his Direct Debit agreement with the electronic money provider. There's nothing in that to show me when it was set up and how long it's been in force for. So, I'm afraid none of this information from Mr W about this payment to the electronic money provider satisfies me it was a Direct Debit in force at the time of the switch as opposed to a CPA.

So, on the evidence currently before me, I can't say Nationwide have done anything wrong here when they've declined to pay the incentive to Mr W and I'm not going to ask them to take any further action on this point.

In relation to the way Nationwide handled this complaint our investigator has set accurately in his view the rules on what we can and can't look into so I shan't repeat those. And I'm afraid there's very little I can add. Complaint handling isn't a regulated financial activity, so it's not something we can look into. So, I'll leave to Mr W to decide whether he accepts the offer of £25 compensation offered by Nationwide on this point.

I can see Mr W feels strongly about this. But I have to make a decision based on the information before me and based on that, this isn't a complaint that I can properly uphold.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 28 November 2024.

Annabel O'Sullivan
Ombudsman