

The complaint

Mr C and Mrs G have complained that Nationwide Building society ("Nationwide") had created two customer profiles for Mrs G.

Mrs G says that this led to her missing out on the Nationwide Fairer Share payment, it was a breach of data protection laws and has caused her a great deal of distress and inconvenience.

What happened

Mr C and Mrs G noticed that only Mr C was paid the £100 Fairer Share in 2023, even though they thought Mrs G should've qualified for the payment as well. Because of this Mr C and Mrs G raised a complaint with Nationwide. After raising that complaint, it'd become apparent that the reason why Mrs G didn't receive the Fairer Share payment was because Nationwide had two customer profiles set up for Mrs G. As a result, Mr C and Mrs G raised a complaint about the duplicate profiles – which is what this complaint concerns.

Nationwide issued its final response to the complaint (about the duplicate customer profiles) on 5 June 2024 and upheld the complaint. Nationwide arranged for the two £100 Fairer Share payments (from 2023 and 2024) that Mrs G had missed out on to be paid to her. It also offered to pay £150 compensation for the distress and inconvenience caused by the matter.

Nationwide explained that Mrs G had not received the payments because it had two profiles set up for her, one that included a part of her surname as a middle name, and another that correctly had the two surnames recorded as surnames. Nationwide said it no longer had the FlexPlus application forms on file but accepted it had likely made a mistake when it set up the account and apologised. Nationwide also added that it had not sent statements to the incorrect address and had sent them to the address recorded for Mr C, as he is the main accountholder.

Unhappy with the response, Mr C and Mrs G responded to Nationwide. Nationwide issued a follow up response on 19 June 2024 and said that it hasn't changed its position on the complaint.

Nationwide said that Mrs G's data hadn't been compromised and that statements had been sent to the correct address. It also said that, although the previous complaint handler said that Nationwide had likely made a mistake, it couldn't be sure that it had actually made an error when Mr C and Mrs G had applied for the FlexPlus account online. This was because Nationwide says its account application processing system 'would record the naming format inputted at the application stage'.

Nationwide said its security checks would've been processed on all of the information given, and not just individual portions of information given. It also explained that, under its data management record management, it's not obliged to keep every piece of information about a customer. And in this case, it said that the application form data had been deleted, as it had been more than six years since they'd opened the account.

Nationwide confirmed the two customer profiles for Mrs G had since been merged - using the correct information. Nationwide confirmed it had contacted the FlexPlus insurance providers to ensure they had the correct name recorded for Mrs G too. It also confirmed that the Junior ISAs wouldn't be affected, as the details on those accounts would be based on whatever information Mr C and Mrs G gave in the application forms that were submitted in 2018. As a result, Nationwide confirmed that the two £100 Fairer Share payments will be paid to Mrs G, but that its offer of £150 wouldn't be increased. I understand the £150 award was subsequently paid to Mr C and Mrs G.

Unhappy with Nationwide's response to their complaint, Mr C and Mrs G referred their complaint to this service.

One of our investigators assessed the complaint, and they thought that, due to the inconvenience caused, Nationwide should increase its offer of compensation by £100, to bring the total amount to £250. Nationwide responded and said that it agreed with the investigator's assessment. Mr C and Mrs G also responded, but they didn't agree with the investigator's conclusions. So, the complaint was referred for an ombudsman's 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 reviewed everything, I think that the redress proposed by the investigator is fair and reasonable in the circumstances. And I don't think it should be increased, as Mr C and Mrs G have requested. I will explain why.

Firstly, in terms of how the double profile issue arose, I note that it came about when Mr C and Mrs G applied for a joint FlexPlus account online.

In its first response to the complaint, Nationwide appeared to accept it was likely at fault for the error. But then in its second response, Nationwide said that Mrs G's surname would've been recorded however it'd been entered into the online application form, so said that it was not necessarily at fault.

Unfortunately, Nationwide no longer has a copy of the application form from September 2015. I appreciate that Mr C and Mrs G are unhappy it no longer has a copy of the application form. But as Nationwide has explained (and is mentioned in its data retention policy), Nationwide won't necessarily retain all information it has recorded about its customers and will periodically delete information once it is deemed no longer needed. In particular, Nationwide said its retention period for the application form is 6 years.

I can't say that Nationwide has done anything unusual or unreasonable by deleting the application form details once its retention period had expired. Indeed, many financial businesses have similar retention periods – although, of course, the retention period varies greatly, depending on a number of factors including the type of product, the type of data held and what the data is being used for.

Nevertheless, as Nationwide doesn't have a copy of the application form, it's difficult for me to be able to decide with any certainty how exactly the error was made and who was responsible for the error.

However, one reason why I don't think further redress is warranted is because I think there is a reasonable chance here that the double profile issue could've come about if Mrs G had entered the first of her surnames into a middle name box by mistake. Afterall, the application

was made online by Mr C and Mrs G themselves. It was automatically processed electronically, so it's not the case that a member of staff had manually entered the details. And based on what Nationwide has said about its online application process, the FlexPlus account would've been set up based on whatever information had been entered on the application form by Mr C and Mrs G.

I note that Mr C and Mrs G have, understandably, questioned how the FlexPlus account was allowed to be set up in the first place, with incorrect information. Nationwide has explained that when processing the application, a number of different things would've been checked to verify the identity of the applicants. And given that all of the other information was apparently correct, and the surname entered in the form did include correct information (albeit only partially), I can see why the application was allowed to proceed.

Mr C and Mrs G say that, by allowing the account to be set up, even though incorrect information was entered, constitutes a breach of the data protection laws. However, even if I were to conclude that was the case, apart from Mrs G having difficulties accessing her account, I can't see that it had any other impact on Mr C and Mrs G. For example, I haven't seen anything to suggest that Mrs G's personal data was sent to any third parties that had no authority to see such data.

Because of the double profile issue, Mr C and Mrs G understandably questioned whether this may've also affected their children's Junior ISAs. Fortunately, Nationwide confirmed the Junior ISAs weren't affected. It says this is because they were set up based on the information that Mr C and Mrs G had provided in the application forms for those specific accounts. And from what I have seen that is correct.

I understand that another concern that Mr C and Mrs G had was that they believe that letters or statements were sent to their previous address. They have provided evidence of mail being returned undelivered to Nationwide in 2022 and 2024.

Looking at everything that has been provided, I've not actually seen any evidence that Nationwide had sent statements or post to the wrong address. It looks like Mr C and Mrs G changed address in 2017, and Nationwide updated the address recorded on file for them in 2017.

So, from everything I have seen, when Mr C and Mrs G's mail was being returned to Nationwide undelivered in 2022 and 2024, as far as I can see this had been returned from Mr C and Mrs G's current address, and not their previous address. So, it would seem that there were issues with the postal service – rather than it being the case that Nationwide had sent statements or letters to the wrong address. And when the post was returned undelivered to Nationwide, it wrote to Mr C to explain the situation and to check that it still had the correct address recorded for him. In my view, this was a reasonable precaution to take in the circumstances, even though, as it turns out, it did have the correct address registered for them.

In addition to compensation, I understand that Mr C and Mrs G say that, because Nationwide had the wrong name recorded for Mrs G on file, this meant they have incurred a financial loss – in the form of the monthly account fees. But I don't agree. As the account was a joint account, Mr C was covered by the account benefits, and had been since they opened the account – so it's not the case that they have been paying for nothing.

Also, whilst Nationwide may not have had Mrs G's full surname recorded on its systems, this doesn't mean that Mrs G was not covered by the benefits. I say this particularly because, when making a claim, the product providers and insurers usually ask the caller to provide the

account number and sort code to confirm that the person calling has cover. And if they asked for any other identifying information, such as asking for Mrs G's address or date of birth, obviously the information would've matched, as it was only part of Mrs G's surname being recorded as a middle name that was not recorded correctly.

Also, had Mrs G needed to claim, and she did face difficulties due to the mismatch in the surname name, this would've required Mrs G or Mr C to contact Nationwide to ask it to rectify the incorrect name it had recorded on file first (which Nationwide did do in response to this complaint) before the claim could proceed. It does not mean that any claim would likely have been declined. Although fortunately, as it happens, Mrs G didn't need to claim on any of the benefits on the account in the time she's had the account.

So, for these reasons, I don't think that Mr C and Mrs G did suffer a financial loss due to the issues listed above. I therefore don't think it would be reasonable to say that Nationwide should refund the monthly FlexPlus account fees that Mr C and Mrs G have paid since they took out the account.

Finally, I note that Mrs G says that she wants £5,000 of compensation for the 'significant stress and emotional toll' caused by the prolonged lack of access to the account. Overall, I don't doubt that it would've been frustrating for Mrs G to not be able to access her joint FlexPlus account. And so, I do think that the increased award recommended by the investigator is warranted.

However, the fact that Mrs G has had the FlexPlus account since 2015, but only decided to complain about the issue in 2024 - and that was only because she didn't receive the Fairer Share award, rather than because she couldn't access her account - makes me think that the lack of access didn't have as great an impact on Mrs G, than she is now saying it did. Or to put it another way, I don't think it is fair on Nationwide to say that it should pay an increased amount of compensation (beyond what the investigator has recommended) because, when Mrs G faced issues accessing her joint account over the 9 or so years she's held it, she chose not to raise the matter with Nationwide to get it resolved and instead chose to let the situation continue.

It's not in doubt that things haven't gone as they should've here. And I accept that there has been an element of inconvenience caused to Mrs G. But overall, I think that what the investigator recommended was a fair and reasonable way to resolve this complaint.

Putting things right

To put things right, I require Nationwide to pay Mr C and Mrs G £100 for the distress and inconvenience caused to them by this matter. By doing this, it will bring the total amount of compensation paid to Mr C and Mrs G to £250 for this complaint.

My final decision

Because of the reasons given above, I uphold this complaint and require Nationwide Building Society to do what I have outlined to put things right, in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Mrs G to accept or reject my decision before 3 January 2025.

Thomas White
Ombudsman

