

The complaint

Mr T has complained, via a representative, that Nationwide Building Society (“Nationwide”) failed to explain whether there was any element of interest, or that it was an award for distress and inconvenience, when Nationwide paid compensation in response to Mr T’s complaint.

Mr T has also complained that the redress that had been paid out in relation to Mr T’s complaint was paid to his representative, rather than to Mr T himself. The representative of Mr T is also unhappy at being referred to as ‘sir’ by Nationwide during a telephone conversation.

What happened

Mr T’s representative raised a complaint with Nationwide regarding being given incorrect information about interest rates on a fixed rate ISA. In response to that matter, Nationwide issued a final response to the complaint on 2 November 2023 and said that it would pay £100 compensation. I understand that this award was paid to Mr T’s representative, rather than to Mr T.

Following this, Mr T’s representative wanted Nationwide to confirm if the redress was without interest and classified as goodwill. However, when Mr T’s representative called Nationwide on 3 January 2024, a member of staff referred to the representative as sir. The representative asked not to be referred to as sir, but the member of staff kept doing so. Unhappy with how Nationwide handled matters, the complaint was referred to this service.

One of our investigators assessed the complaint, and they upheld the complaint. They asked Nationwide to provide Mr T with the written confirmation he has requested. They also said that Nationwide should pay Mr T a further £100 compensation for how matters were handled.

Nationwide eventually responded to the investigator’s assessment and said that the issue regarding the representative being called sir was addressed under a different final response that was issued on 5 January 2024. Nationwide also said that when it responded to Mr T’s other complaint, it had confirmed that the redress did not include any interest.

As an outcome could not be reached that all parties were happy with, the matter was referred for an ombudsman’s decision.

I issued a provisional decision about this complaint on 20 January 2025, explaining why I was minded to not uphold this complaint. I have included an extract of my provisional decision below and it forms a part of this decision.

“What I’ve provisionally 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'm currently minded to not uphold this complaint. I will explain why.

The representative of Mr T has requested that Nationwide explain that the £100 redress didn't include interest and was for a gesture of goodwill for tax purposes. The representative says that this information is needed for HMRC and for good record keeping. But the representative says that Nationwide has not said the award was for distress and inconvenience.

Having looked at what Nationwide had sent to Mr T and his representative, I'm satisfied that Nationwide had already made it reasonably clear that the £100 was compensation for how it had handled matters.

For example, in the final response sent on 2 November 2023 it said:

"Though I don't feel that any of the agents were doing this deliberately or being discriminatory in any way, I do understand with the frustrations this would cause. So, we'd like to pay you £100.00 in recognition of these errors."

And then, when Mr T's representative asked Nationwide for clarification about the redress that'd been paid, in a final response issued on another complaint, Nationwide said:

"I can confirm the payment of £100 from complaint [Nationwide's reference for this complaint] was compensation for the service you received at that time and not to do with any interest on yours or your father's accounts."

So based on the above, I'm satisfied that Nationwide had already made it reasonably clear that firstly, the £100 redress paid was compensation for the levels of customer service provided i.e. for distress and inconvenience. And secondly, I'm satisfied that it was made reasonably clear that it did not include any interest. As such, I can't reasonably say that Nationwide had failed to provide the information that Mr T had requested.

Mr T's representative has said that the £100 that was paid by Nationwide should have been paid to Mr T directly. However, looking at the final response letter that had been sent on 2 November 2023, I can see that the compensation was awarded because of the distress and inconvenience that the representative personally experienced, rather than anything that Mr T had experienced, during telephone calls with Nationwide.

Although Mr T, rather than the representative, is the complainant here, that doesn't prevent a financial business from choosing to compensate the representative(s) of its customer, if it deems it necessary. So, I can't say that Nationwide did anything wrong or acted unfairly, by paying the representative of Mr T compensation, rather than Mr T.

Finally, I understand that the representative of Mr T is unhappy, because during a telephone call on the 3 January 2024, the representative of Mr T was repeatedly referred to as sir, despite the representative asking the member of staff not to use that term. In response to the investigator's assessment on this complaint, Nationwide pointed out that this matter had already been addressed in its final response on another one of Mr T's complaints.

I have looked at the final response that was issued on 5 January 2024 and it says:

"Regarding our call, I apologise if you took me repeatedly calling you 'sir' personally and I'd like to assure you it certainly wasn't my intention to cause any upset."

Therefore, given that specific matter was addressed in Nationwide's final response in relation to a complaint that has been looked into separately by this service, I don't think it would be appropriate for me to address that issue in this complaint.

And, in any event, Mr T's representative isn't an eligible complainant for the purposes of this service. So, I couldn't direct Nationwide to pay compensation for any poor service the representative of Mr T received, even if I did think it needed to."

After I issued my provisional decision, both Mr T's representative and Nationwide responded. Nationwide accepted the provisional decision. The representative of Mr T did not however. In summary, the representative said that:

- The offence caused by how Nationwide spoke to Mr T's representative (who was acting on behalf of Mr T at the time) impacted Mr T vicariously. The representative said that Mr T was upset with how his representative had been spoken to.
- Nationwide have conflated matters. The representative says the complaint point (about the representative being referred to as sir) was not made in the adjacent case.
- Mr T's representative says HMRC does not view compensation for distress and inconvenience as giving rise to tax liability. The representative says that whilst confirmation that the redress paid was for distress and inconvenience may've, at length, been received, it was not readily achieved.

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 reconsidered everything, including Mr T's representative's response to my provisional decision, I do not uphold this complaint.

In terms of the representative being referred to as 'sir' multiple times, despite asking Nationwide not to do that, in the provisional decision, I explained that specific matter was dealt with by Nationwide in Mr T's other complaint. And that complaint has been looked into separately by this service.

Mr T's representative says that Nationwide has conflated matters by addressing that point under a different complaint. However, whether the matter should've been considered under this complaint or the other complaint, the fact remains that Nationwide did address that point

in its response to the other complaint. And given that this service has looked into the other complaint separately - which would've taken into account the issues that Nationwide had addressed in the final response letter - I don't think it would be appropriate to address the merits of that complaint point here.

As such, whilst I recognise that Mr T's representative may be disappointed by this, I don't think it would be appropriate for me to go into any further detail about whether redress should or shouldn't be awarded for that specific issue within this decision.

In terms of Nationwide clarifying that the redress paid was for distress and inconvenience and did not include interest, Mr T's representative says that was not readily achieved.

However, although the representative may've needed to go back to Nationwide for an answer on this point, I can see that Nationwide did clarify this point when it responded to the two complaints. So I think, in responding to the complaints, Nationwide did what it needed to do to confirm what the redress payment was for and that it didn't include any interest award. Because of this, I don't think Nationwide needs to take any further action in relation to that issue.

My final decision

Because of the reasons given above and in my provisional decision, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 3 March 2025.

Thomas White
Ombudsman