

## **The complaint**

Miss R and Mr T's complaint is about a delay caused by Nationwide Building Society in releasing their mortgage funds, which meant their purchase was delayed by several days and made them temporarily homeless. They don't think that when compensating them, Nationwide has taken their individual circumstances into account and think the amount it has paid is insufficient.

## **What happened**

Miss R and Mr T were moving home with the assistance of a new mortgage from Nationwide. Their sale and purchase were scheduled to complete on Friday 30 August 2024. They had moved their possessions out of the property they were selling that day and their sale completed. However, despite numerous promises throughout the day about the new mortgage being released, nothing happened and at the end of the business day, Miss R and Mr T could not complete on their purchase. They've told us because of the promises Nationwide had made throughout the day, they had not made any alternative accommodation plans and so they had to put their things into storage and stay with different family members over the three nights of the weekend.

On the following Monday Nationwide again promised the funds would be transferred, and Miss R and Mr T took their possessions out of storage in anticipation of moving into their new home. While the mortgage funds were released, it was not until the end of the working day that it happened.

Miss R has told us she missed an important medical appointment on the Monday and the additional stress of the situation caused a flare-up in her medical condition, which lasted over the weekend and throughout the following week. Miss R has told us that missing the appointment has meant that an operation she needs will be delayed.

Nationwide responded to the complaint on 24 September 2024. It admitted that there had been a human error when their application had been keyed. This, along with a known system incident that had happened on the same day, meant that the problem had not immediately been identified and so there had been a delay in the mortgage being advanced.

Nationwide confirmed that it would redress any financial loss this had caused and was at that point paying £685.51 of costs that had been evidenced. In addition, Nationwide paid Miss R and Mr T £750 compensation for the trouble and upset they were caused. In relation to some furniture Miss R and Mr T said had been damaged due to having to be put into storage, Nationwide said it would consider the cost of replacement if they evidenced that the damage had been caused by the storage company and that it was not liable under the storage contract to replace the furniture.

Miss R and Mr T were not satisfied with the response they received and referred their complaint to this Service. They said that Nationwide had ignored the majority of their complaint and they felt that it had demonstrated a lack of sympathy towards them and that the compensation was not sufficient. It was confirmed that the only outstanding financial losses related to the damage that had been caused to their wardrobes and fridge freezer

when they moved the items into/out of storage. Miss R and Mr T confirmed that the damage was not caused by the storage facility, but rather because the unit that had been used was too small for their possessions, but they had had little choice of unit given the timings.

One of our Investigators considered the complaint. He did not consider that the damage to Miss R and Mr T's furnishings was foreseeable as a result of the error Nationwide made and so he didn't recommend that Nationwide pay to replace the items. However, the Investigator did conclude that the compensation payment should be increased to £1,000.

Miss R and Mr T didn't accept the Investigator's conclusions. They highlighted the reasons Nationwide had said caused the delay and disputed that the system error it had experienced had been a contributory factor. So they said that the complaint had not been properly investigated and the outcome was, therefore, incorrect.

The Investigator explained that irrespective of why their mortgage was delayed, Nationwide had accepted that it was responsible for the delay. As such, what we needed to consider was what losses Miss R and Mr T should be reimbursed for and what compensation should be paid. The Investigator confirmed that his conclusions remained the same. Miss R and Mr T said that they didn't want their complaint dealt with on the basis that it had been caused by a generic system issue and asked that it be passed to an Ombudsman.

Nationwide accepted the Investigator's conclusions and agreed to the increased compensation amount.

### **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 would firstly like to reassure Miss R and Mr T that I have taken their individual circumstances into consideration when making my decision. As the Investigator explained, as Nationwide has accepted that it was its fault their mortgage was three days late completing, I don't need to consider the matter of its liability for the delays. Whether those delays were caused by a widespread system problem, human delay, or a combination of both, does not affect our consideration of what redress and losses Nationwide should pay.

When determining redress for financial losses, we look to place a consumer in as close to the same financial position they would have been if the error by the financial business had not occurred. However, for financial losses not linked directly to the error, in order to conclude that a business should be held responsible for the losses, there has to be an element of foreseeability to the loss. For example, it was foreseeable that Miss R and Mr T would need to store the contents of their home until their mortgage completed and they could move into their new home. As such, the cost of that storage would without question need to be covered by Nationwide. Nationwide has already reimbursed Miss R and Mr T for the costs that would be expected to result from its error. However, where losses have been incurred that were not foreseeable as a result of the error made by the financial business, we can't make an award.

The outstanding costs that Miss R and Mr T are unhappy that Nationwide has not paid are not straightforward. They have told us that the damage to their furniture was caused by them when they were putting the items into a storage unit that wasn't big enough. In order to make an award for this loss, I would firstly need to be satisfied that is how the damage happened, rather than when the items were removed from the old property or when being taken into the new one. However, even if that were the case, I don't think it could be considered that the

damage was a reasonably foreseeable result of the error that Nationwide made. As such, I don't consider that Nationwide needs to pay to repair or replace these items.

I now turn to the matter of compensation for non-financial losses. As Miss R and Mr T have said, moving house is an extremely stressful experience. I am satisfied that Nationwide's error would have added to that stress, and that it should compensate them accordingly.

Miss R has told us that she missed an important medical appointment due to having to visit a branch of Nationwide on the Monday to ensure that the mortgage was advanced that day. I can understand that Miss R would have been focussed on the mortgage at that time, but I am not persuaded that Nationwide can be held responsible for her missing the appointment or any consequences of that. I think that had she wanted to attend the appointment she could have. While I note that Miss R and Mr T had travelled to the branch together, that did not prevent one of them from arranging an alternative mode of transport for after they left the branch.

That said, the mortgage not completing on time very clearly caused Miss R and Mr T the inconvenience of having to store their possessions over the weekend, staying with relatives and associated additional travelling. It also clearly added to what was already a stressful situation. I have thought carefully about the amount of compensation that is appropriate in this case, and I have concluded that the £1,000 the Investigator recommended was proportionate and reasonable in the circumstances.

### **My final decision**

My final decision is that I uphold this complaint in part. In full and final settlement, I require Nationwide Building Society to pay Miss R and Mr T a further £250 compensation, making a total of £1,000, for the upset and inconvenience its error caused them.

Under the rules of the Financial Ombudsman Service, I am required to ask Miss R and Mr T to accept or reject my decision before 17 March 2025.

Derry Baxter  
**Ombudsman**