

## The complaint

Mr K and Mrs K complain about the way Nationwide Building Society handled their application for additional borrowing on their mortgage.

## What happened

Mr K and Mrs K took out a mortgage with Nationwide in February 2024. In April 2024, Mr K called Nationwide to ask about the process of applying for additional borrowing for some home improvements. The adviser explained the different ways Mr K and Mrs K could apply and the information they would need to provide before it could issue a decision in principle. He also sent a copy of the information needed in an email following the call.

Mr K replied to the adviser's email in May to say that he'd tried to apply for the additional borrowing but had been told he was not eligible, as they hadn't had the mortgage for six months. Mr K said it will be six months on 1 August 2024 but asked if they could apply earlier given the projected timeline of their construction works. The adviser replied to confirm Mr K and Mrs K wouldn't be able to apply for additional borrowing until six months had passed, so the earliest date would be 1 August 2024. Mr K replied and asked if the decision about the lending would be made on the same day. The Nationwide adviser didn't respond.

Mr K emailed the adviser again on 21 July asking him to confirm that they could apply for additional borrowing on 1 August. He said they'd engaged a contractor to do the works on that basis. The adviser said Mr K would need to call Nationwide to confirm the exact date he could apply.

Mr K called Nationwide on 23 July to ask about the application. Nationwide said the earliest Mr K and Mrs K could apply for additional borrowing was 24 August 2024 (180 days after the mortgage completed). And that it could take four to six weeks for the funds to be released if the application was approved. Mr K raised concerns about that and said they'd already engaged contractors based on the information the previous adviser had given. He asked if there was any way they could apply earlier, to which he was told no. A complaint was logged for Mr K and Mrs K on that call.

Mr K called Nationwide again on 29 July and said that he'd received legal advice, and wanted to invoke his right to human intervention under General Data Protection Regulation (GDPR) and asked for his application to be reviewed early outside of Nationwide's normal systems and process. The adviser said that they wouldn't be able to consider the application within the 180 day window, but would add his latest request to the complaint for review.

Nationwide called Mr K back later the same day. It said the underwriters had agreed to review an application even though it's within the 180 day window based on Mr K and Mrs K's circumstances. The adviser said he could go through the relevant information on the phone to produce a decision in principle and start the application.

The application was considered and approved. The additional borrowing completed on 12 August 2024.

In Nationwide's final response to Mr K and Mrs K's complaint, it agreed that it had initially provided Mr K with the wrong date on which he'd be able to start his application. And acknowledged it didn't reply to Mr K's email of 10 May. It offered to pay Mr K and Mrs K £150 to apologise.

Mr K and Mrs K brought their complaint to our service. One of our Investigators looked into things, and ultimately decided that Nationwide should pay Mr K and Mrs K a total of £275 to put things right.

Mr K and Mrs K asked for the complaint to be referred to an Ombudsman, so it's been passed to me to decide.

### **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.

Nationwide has accepted that it could have handled its interactions with Mr K better after he'd approached it about applying for additional mortgage borrowing. It accepts it should have corrected Mr K when he told the adviser that he'd have to wait until 1 August 2024 before he could apply under Nationwide's six month policy (when the correct date was 24 August 2024), and that it should have replied to Mr K's email he sent in May asking about the time it would take for a lending decision to be made. It offered £150 to apologise, but I agree with the Investigator that £275 is an appropriate award based on the circumstances of this case.

Mr K had made it clear that he was planning building work on his house, and he wanted to start the process as early as possible. He asked Nationwide on more than one occasion if there was anything it could do to speed up the process so that he and Mrs K could access the funds more quickly. I think Nationwide could have been clearer at the start of its contact with Mr K about what the process would look like, the potential timeframes involved, and confirm the correct date an application could be made under its policy. That way Mr K and Mrs K would have been clear on where things stood and could have made their building plans accordingly. Or sought alternative means of raising the funds if that timeframe didn't work for their plans.

Having listened to the relevant call recordings, I'm satisfied Mr K was clearly distressed when he discovered he couldn't apply for the borrowing until 24 August, and that it could take up to six weeks from that date for him to receive the funds (subject to the application being approved). That could have been avoided if Nationwide had been clear at the start. So I agree with the Investigator that Nationwide should increase its award for distress and inconvenience to £275.

Mr K and Mrs K have not suffered any financial loss as a result of Nationwide's errors. During the complaints process Nationwide agreed to consider their application early outside of its normal policy and released the funds within two weeks of it being submitted. But I understand Mr K and Mrs K feel more compensation is due for the way they were treated.

During the conversations Mr K had and the emails he exchanged with Nationwide, he was not given any assurances that an application for additional borrowing would be successful. The adviser told Mr K the information it would need him and Mrs K to provide before it could agree to lend more money, and I think it was clear that the application was subject to approval. Mr K and Mrs K organised and committed to their building plans before they'd submitted their application without any guarantees that it would be approved. So they put themselves in the position where they'd committed to paying for works before they knew they would be able to access the funds. I don't find I can fairly hold Nationwide responsible for that.

I understand Mr K feels strongly that Nationwide has breached GDPR because it failed to act on his request for human intervention. But I'm afraid I don't agree. When Mr K raised this request on 29 July, Nationwide considered what he said and arranged for an adviser to call

him back the same day to start an application, despite it not meeting its policy at the time. I'm satisfied that was reasonable. And I'm not persuaded Nationwide needs to do any more to put right this part of Mr K and Mrs K's complaint.

### **Putting things right**

Considering all the circumstances, for the reasons I've explained, I'm satisfied Nationwide should pay Mr K and Mrs K £275 to recognise the distress and inconvenience caused by its actions.

### **My final decision**

I uphold this complaint and instruct Nationwide Building Society to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K and Mrs K to accept or reject my decision before 21 March 2025.

Kathryn Billings  
**Ombudsman**