

The complaint

Mr L complains about how Nationwide Building Society (NBS) treated him when a third party paid in a large amount to his bank account. Mr L says this caused stress, inconvenience, as well as lost interest.

What happened

In December 2024, a third party sent a large sum of money to Mr L's account with NBS by a payment method referred to as Clearing House Automated Payment System (CHAPS) which Mr L expected to credit on the same day. As the funds did not do so, Mr L contacted NBS by telephone three times that day and within the calls, was not given correct information about the status of the payment.

The funds were credited the next working day, so Mr L contacted NBS again and was told the payment had been subject to additional checks and this was the reason for its delay. As a result, Mr L logged a complaint with NBS saying the funds should have been credited same day in light of who they were from, and that he had lost a significant sum in interest.

NBS responded to the complaint with their final response letter in which they didn't uphold the payment aspect of the complaint. NBS said the payment, due to its high value, was subject to additional checks. NBS did apologise and uphold the service aspect in that Mr L was given wrong information. NBS said that Mr L was told the payment had not been received when in fact if NBS had referred to the relevant team, they would have established it had. Accordingly, NBS offered Mr L £30 as compensation.

Mr L remained unhappy and brought the complaint to our service saying that as the funds were sent from a solicitor, the legitimacy of the payment could have been ascertained very quickly, thus making the delay unnecessary. Mr L also suggested that £100 compensation would be more appropriate.

Our investigator looked into the complaint and upheld it saying NBS had not acted fairly. They acknowledged the payment delay, and that the checks that NBS had to perform were covered in their terms and conditions (T&C). In terms of the impact of wrong information, an increased compensation figure of £125 was warranted.

NBS accepted our investigator's view, but Mr L disagreed with our investigator's interpretation of a certain section of NBS' T&Cs, and subsequently, the complaint has been passed to me as an Ombudsman.

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 have looked at the information NBS has supplied to see if it has acted within its terms and conditions and to see if it has treated Mr L fairly. It is always regrettable when we see a relatively simple process like funds being paid into an account result in a long, protracted

complaint. I sympathise with Mr L for the frustration he experienced. It's our role to identify if a business has made a mistake and if so, look at the impact this has had on the consumer.

What appears to now be the crux of this complaint is the relevant section of NBS' T&C's which states ***"To meet legal and regulatory requirements, we (and any financial institutions we may use to help us make the payment) may carry out checks before payments are made or incoming payments are applied to your account with a view to preventing financial crime. Occasionally this may lead to a delay in a payment being sent or applied to your account. In some circumstances we may not be able to make the payment or apply an incoming payment to your account. We will always tell you if this is the case unless it would be unlawful to do so. We will not be responsible for any loss that results from this"*** and I want to break this down into what I regard as the two most important points.

Firstly, the disputed interpretation of ***"In some circumstances we may not be able to make the payment or apply an incoming payment to your account. We will always tell you if this is the case"*** which Mr L puts forward as proof that NBS should have made contact with him whilst they were processing the payment. And them not doing so is a breach of their T&Cs. However, I disagree. I believe that this section is sufficiently clear and not open to interpretation as it states that in circumstances of NBS not being able to apply an incoming payment, they will always tell the customer. As Mr L's payment was successfully applied, albeit the next working day, NBS had no obligation to tell Mr L.

The second part of this section of NBS' T&Cs that I wanted to highlight was their wording ***"We will not be responsible for any loss that results from this"*** which I regard as sufficiently clear to convey that NBS would not cover any losses, including interest.

Before I move onto compensation, I acknowledge Mr L has said that because the funds were coming from a solicitor, this should have changed and made faster, NBS's checks. But NBS is fully entitled, and are required to have in place, compliant due diligence procedures as they've explained, regardless of the funds source. This is standard practice across the financial services industry, and NBS's actions were in line with common practices adopted by financial institutions worldwide to protect their customers.

Turning to compensation, I'm aware that NBS initially offered Mr L £30 which our investigator thought should be increased to £125. Looking at the telephone service that Mr L received and the impact, I do regard this as fair in the circumstances.

To conclude, I'm sorry that the consequences of NBS's regulatory and security processes caused the payment to be credited the next working day, rather than the same day. But taking into account all the evidence, I do feel that NBS were within their rights to invoke these processes.

My final decision

For the reasons I have given it is my final decision that the complaint is upheld, and I require Nationwide Building Society to pay Mr L a total of £125 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 15 April 2025.

Chris Blamires
Ombudsman

