

The complaint

Mr and Mrs G complain about how Nationwide Building Society has dealt with them in their financial difficulties.

What happened

Mr and Mrs G have a mortgage with Nationwide. In October 2023 Mr and Mrs G applied for additional borrowing which was refused. Mr and Mrs G complained about this, and Nationwide issued its final response to that complaint on 25 October 2023. That letter contained referral rights so that Mr and Mrs G could bring the complaint to this Service if they did so within six months of the date of that letter. But Mr and Mrs G didn't bring the complaint to us until June 2024 and as our investigator has said under the rules that apply to us we cannot consider that part of the complaint.

Mr G was signed off work in November 2023 and has been unable to work since. Mr and Mrs G asked for a payment plan to reduce their payments or to extend the mortgage term. Nationwide agreed a payment plan until August 2024 but wouldn't agree to extend the mortgage term. Mr and Mrs G also complain about the letters and texts they receive demanding payment. They also have faced an increase in their monthly payments during this time but say that they have been unable to get assistance from Nationwide.

Our investigator reviewed the file, correspondence and interactions between Mr and Mrs G from November 2023 and felt that Nationwide had done nothing wrong. Mr and Mrs G disagreed and asked for a review.

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 note that Mr and Mrs G brought this complaint to us in August 2024 and, that after that date, Mr and Mrs G made a further complaint to Nationwide about the contact they had in January 2025. To be clear in this decision I won't be considering those events in January 2025 and beyond or Mr and Mrs G's complaint about being refused additional borrowing in October 2023 for the reasons set out in our investigator's view.

The issue I have to consider is whether during this period, Nationwide dealt fairly with Mr and Mrs G in their financial difficulties. Mr and Mrs G's account fell into arrears at the end of 2023. I note that in January 2024 Mrs G contacted Nationwide about moving to interest-only as part of the mortgage charter. I understand there may have been difficulties with that as Mr and Mrs G were already in arrears at that time and not up to date with their payments. That would have affected their eligibility for assistance under the mortgage charter. Mrs G was transferred to Nationwide's forbearance team on 22 January 2024 as they were unable to afford the mortgage. It was noted on Nationwide's file that Mr G was currently out of work, Mrs G was a part time carer, and they had two rental properties, but they weren't getting an income from one of those at that time. An income/expenditure assessment was partially completed but Mrs G was to return with further details.

Then in February the income/expenditure assessment was completed showing a monthly deficit of £1,116.97. I also noted at that time that Mrs G told the Nationwide adviser that Mr G who was self-employed, was off work because of illness and on medication due to stress. I see that in March an adviser spoke to Mr G who told Nationwide that he had been the victim of two assaults in November 2023, was off work and didn't know when he would return, couldn't afford the monthly instalment and thinking about the arrears was impacting his health. The Nationwide adviser told him that it was best that Mrs G contacted Nationwide as the adviser didn't want this impacting his health. There is a note that the account was to be held for a week to wait contact from Mrs G. I assume that there was no contact in the meantime for there then is a call from Nationwide to Mr G on 20 March when Mr G asked about a loan to pay off the arrears, that he may be due compensation as a result of the assault and that he didn't want any further calls about the arrears but was told that there would be automated calls whilst there were arrears on the account.

There is a file note that Mr and Mrs G managed to meet the monthly instalment in March and that the arrears didn't increase. On 27 March, Mr G rang Nationwide to say that he was still getting texts and emails from Nationwide about the arrears but was told that in the absence of a plan to pay off the arrears he was going to receive these calls and texts. An Income/expenditure account was sent out following the call. Then in April following a call an arrangement was reached to make reduced payments of £230 per month for April, May and June. That call was with Mr G who complained about the distress he endured because of the continued contact with him from Nationwide.

The next contact is in July again with Mr G, at the end of the arrangement period, who was annoyed that he had been contacted. Nationwide then spoke to Mrs G who told Nationwide that their income had not yet recovered although Mr G was now working two days a week and looking for a new job and still only getting an income from one of their BTL properties. In July there was a discussion about one of the BTL properties. The notes record that one of the BTL properties was worth £130,000.00 and a mortgage of £56,000.00 and that Mr and Mrs G were getting it valued at the beginning of August. The notes also record that Mr and Mrs G were going to use a small amount of savings they had - £170.35 - to pay the interest-only element of the mortgage that month.

Then in September again there was a call to Mr G who was annoyed at the call and the call was passed to Mrs G who spoke about possibly selling one of the BTL properties and awaiting a possible compensation payment for Mr G. Because of further calls, Mr G made a complaint and on 31 October an adviser suggested taking out Mr G's number and using Mrs G's number instead.

There are two aspects to this complaint that I've had to consider. Firstly, did Nationwide deal fairly with Mr and Mrs G in their financial difficulties and secondly was Nationwide's contact with Mr and Mrs G excessive and/or harassing.

I note that there appears to have been a lot of contact between Nationwide and Mr and Mrs G during this period. That of itself isn't wrong. It's in both Mr and Mrs G and Nationwide's interests that a plan is put in place to repay the mortgage before the arrears get out of hand which was the object of the contact. I also know that a customer's circumstances can change rapidly so I can see the benefit of having regular contact to see what the current situation was. From reading the notes I see that Mr and Mrs G hoped to use the equity in their property to borrow more money to pay off the mortgage. But that's not a viable proposition if there is not sufficient income to sustain the monthly payments and Mr and Mrs G might well find themselves later in a worse position with their equity wasted and still unable to pay the mortgage. So, I can understand why Nationwide didn't want to run with that. The difficulty in coming to any other arrangement was Mr and Mrs G's lack of income and the uncertainty as to when the income stream would return. So, it's difficult to see how

an extension of the mortgage term would benefit Mr and Mrs G if they are unable to make the payments as they fell due. I note that Mr and Mrs G consider that equity release might be a solution, but this is a product the Nationwide doesn't offer so I understand why that was not a solution offered to Mr and Mrs G.

I also note that Mr and Mrs G have a BTL property with equity which I assume could be sold and used to pay off the arrears but I'm unsure from the notes why Mr and Mrs G have not progressed the sale of this. So, the lack of a solution doesn't mean that Nationwide failed to consider Mr and Mrs G case sympathetically over the period I've looked at. The problem I see is that Mr and Mrs G's lack of income prevented Nationwide being able to offer other than short term "*wait and see*" interim fixes to their problems, such as the reduced payments accepted in the summer of last year.

The other issue is the amount of contact with Nationwide that Mr and Mrs G have complained about. The complaint brought to our service in September 2024 was by Mr G who complained about Nationwide sending Mrs G texts and letters requesting money. Nationwide's position is that while there is no arrangement in place and as arrears are continuing, it's in Mr and Mrs G's interests that it keeps in close contact with them to offer assistance should their circumstances change.

I also note that on a number of occasions that Mr G has asked that Nationwide not contact him because of the stress following his injuries and I assume in response to that request Nationwide shifted its point of contact to Mrs G. It does seem to me that where Mr G was telling Nationwide that such contact was causing him stress that this was a point where Nationwide should have considered the effect of the contact on the recovery of Mr G from his trauma which may have led to the contact at least being paused for a short while. From Nationwide's notes I see that this happened in early March but not thereafter until the point of contact moved to Mrs G. Of course, during this period there was a lull in the contact following the short-term arrangement agreed in April.

On the other hand, I consider that this is clearly a case where there should be contact between the parties – the arrears are increasing and Mr and Mrs G seem to have the possibility of paying the arrears either through the sale of the BTL or if their income increases. For the reasons I set out above I don't see that Mr and Mrs G's preferred means of repayment through additional borrowing as feasible. So, I don't consider that the contact by Nationwide in order to try to come to some sort of arrangement with them is harassment although Nationwide should respect their wishes if they require some breathing space. That's what Mr and Mrs G requested in January 2025, but I note that forms the subject matter of a separate complaint.

I can see that this has been a stressful time for Mr and Mrs G following what happened to Mr G in November 2023 and the effect it's had on their income. But if the monthly payments aren't being met, it means that the account falls into arrears and the longer it's in arrears, the more difficult it becomes to pay them and that will lead to other problems for Mr and Mrs G. So, I understand why it would be in Mr and Mrs G's best interests for Nationwide to contact them on a regular basis and I don't believe that, on balance, the contact was excessive. I note that Mr G indicated he was stressed by the contact, so it seems reasonable that Nationwide then contact Mrs G, but she is also unhappy with the contact. A solution, as it is in several situations such as this, is for Mr and Mrs G to get assistance from a third-party debt adviser which role would include helping them with a proposal to bring to Nationwide. I note that Mr and Mrs G say that they are getting assistance from such an adviser and refer to an organisation giving them support but Nationwide says it has had no contact from that organisation and I've no evidence that there has been contact.

It does appear that Mr and Mrs G may have a means of resolving this through the use of an

asset namely the BTL property, if they are unable to generate the income to allow them to make regular payments to get back on track – or indeed the possible compensation payment to Mr G. But simply saying there is the possibility of a compensation payment is not a proposal for payment. As the arrears have been increasing over this past 18 months, if Mr and Mrs G have a proposal I would urge them to either contact Nationwide or get their adviser to contact Nationwide to see if it is feasible.

I have a great deal of sympathy for Mr and Mrs G and the situation they found themselves in after the autumn of 2023. But I can't fault Nationwide for contacting them on a regular basis to see if their circumstances had changed and whether any solutions could be offered or whether Mr and Mrs G had any proposals to make to prevent their mortgage situation deteriorating. My view is that on occasions Nationwide could have paused the contact as requested by Mr G. On the other hand, the point of contact would have been Mrs G who tells us that she didn't want to be contacted either and there is no evidence of the third-party debt advisory organisation contacting Nationwide to put Mr and Mrs G's proposals to Nationwide. So, on balance, I believe that it was in Mr and Mrs G's best interests that Nationwide reach out to them and tried to maintain regular contact to try to deal with a deteriorating mortgage arrears situation and that it's in Mr and Mrs G's best interests to engage with Nationwide through a third party if they prefer. For the above reasons I can't fairly uphold this complaint.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Mrs G to accept or reject my decision before 19 June 2025.

Gerard McManus
Ombudsman