

The complaint

Mr S complains about the customer service given by Nationwide Building Society which led to inconvenience, loss of interest and errors in paying compensation.

What happened

Mr S visited a Nationwide branch during August 2024 to find out how he could open a new savings account. He was told it could be opened whenever he chose to visit the branch. But when Mr S went to the branch on Saturday 14 September 2024 to open the new savings account, he was told it couldn't be done that day. Mr S explained the need for the new account, but the branch restated it couldn't do what Mr S wanted. So, Mr S paid the cheques into his current account. He was told they'd clear on Tuesday 17 September 2024 but when he went to branch that day, they hadn't. He was very upset about this as he'd arranged to pay for and collect his new car. The branch staff admitted their mistake but confirmed that funds wouldn't be available until 18 September 2024.

Mr S returned the next day to arrange payment for his new car. He was taken to a room where he showed identification for security purposes and was asked additional questions which he objected to answering. As the conversation was becoming heated, a second member of staff told Mr S that if he was unhappy, he could close his account and take his banking elsewhere. Payments were made to the garage for Mr S's new car, but Mr S was astounded at the conversation he'd had and raised a complaint.

Nationwide issued a final response letter accepting that Mr S had been misinformed and the customer service had been poor. It apologised and awarded £50 compensation. Later, Mr S phoned Nationwide because he noticed his account had been credited with £150 but then £100 had been withdrawn. He was very unhappy Nationwide had taken money from his account without consent and wanted the £100 returned. Nationwide apologised for its administrative error but said it wouldn't be paying the £100 back. But it did award a further £30 compensation for its mistake bringing the total to £80.

Mr S made a further call to raise his concerns over how he'd been treated by the branch staff and the way his complaint had been handled. He repeated his request for the £100 to be returned. Nationwide's response was to confirm its previous decision. Unhappy with this, Mr S brought his complaint to this service where one of our investigators considered it.

Our investigator thought Mr S had been misinformed and inconvenienced by having to return to the branch on a second occasion. They also accepted the conversation in branch on 18 September 2024 became difficult. But they felt Nationwide's £50 compensation award was fair. They also felt Nationwide was justified in withdrawing the £100 as that money had never been Mr S's. They considered the additional £30 compensation was fair.

Mr S disagreed with our investigator saying he'd lost out on interest because he'd had to deposit a large sum into his current account rather than a savings account. He feels his experience points to poor staff training and an aggressive and abusive approach to him as a loyal customer. He also said Nationwide didn't seek his permission to recover the £100 from his account and their action is tantamount to theft. Mr S asked that his complaint was passed to an ombudsman for a final decision and so it's been passed to me for 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've listened to the calls Mr S has had with this service and read all that both he and Nationwide have shared. I understand that at a point where Mr S's finances were changing substantially and there were several transactions needing to be carried out, the lack of clear and correct information; understanding and customer service would've been particularly difficult for Mr S to deal with. And so, I have every sympathy with Mr S's predicament. But I need to make it clear to Mr S that whilst I've considered all the points he's raised, I won't necessarily be responding to each of them. That's not meant as a discourtesy, it's just a reflection of the nature of our role as an impartial dispute resolution service to deal with the main points at issue.

I also need to be clear that my role is not to punish Nationwide for getting things wrong (which it accepted it had) but to decide what impact those errors had on Mr S and what compensation appears fair and reasonable. I appreciate this will come as a disappointment to Mr S, but having done that, I am not intending to uphold Mr S's complaint. I think what Nationwide has already done is sufficient. I hope the following comments will help him to see why I've reached the decision I have.

The customer service issues.

The issues Mr S faced aren't disputed. He was told he could open a savings account whenever he chose, but it wasn't possible when he called at the branch. I agree this would've been upsetting for Mr S – he knew what he wanted to do but couldn't. Mr S needed to clear the cheques he held to pay for his new car, so Nationwide offered the only solution it could, which was to pay them into his current account. I don't see what other option was open to Nationwide on the day and so I think it was as helpful as it could've been. Mr S was told the cheques would clear on 17 September 2024 and so went back to the branch on that day to arrange payment for his new car. They hadn't cleared. Nationwide accepted that its staff member gave Mr S the wrong information. Whilst the cheques did clear on 17 September 2024, it wasn't until one minute to midnight and so the funds weren't available to Mr S until 18 September 2024.

I've looked at Nationwide's cheque clearing cycles and can see that the funds wouldn't have been available until 18 September 2024. Nationwide's error meant Mr S couldn't collect his car as intended and had to go back to the branch for a second time which inconvenienced him.

Mr S points out that he missed out on interest on the funds he'd paid in. But whilst the cheques were in the clearing system (from Saturday to Wednesday), no interest would've been payable as Nationwide didn't hold the funds, they remained with the drawer of the cheques until they'd cleared. And regarding the interest which might've accrued since then, Mr S says he can't move the money because of pending benefit applications. But Nationwide couldn't have foreseen that eventuality and so I can't hold it responsible for what's happening now.

I turn now to the events of 18 September 2024. Mr S returned to the branch to organise payment for his new car. Mr S says he was being asked irrelevant and intrusive personal questions which didn't need to be asked and so refused to answer. For its part, Nationwide has recorded that the conversation was becoming loud and that the branch manager intervened to say if Mr S was unhappy, he could close his account.

There are only the two brief testimonies here for me to look at. I clearly wasn't present and there's no independent evidence for me to look at. I can say that from what I've read and heard, the interaction was not a good one and there were raised emotions. It's not clear whether the comment that Mr S could close his account if he was unhappy was a first response or came at the conclusion of a longer conversation. If it were to be the former, I'd consider that Nationwide could've dealt with the situation better. But as I don't have any independent evidence to give a finding either way, I will only comment that the meeting was a poor one and led to dissatisfaction.

I've considered Nationwide's award and given this was in relation to misinformation leading to a wasted branch visit, I think £50 is a fair sum.

Withdrawal of £100 from Mr S's account without permission.

Again, the facts here are not in dispute. Nationwide told Mr S it would be crediting his account with £50 compensation. But it paid £150 in error. Nationwide noticed the mistake on the same day and withdrew £100 from Mr S's account. When Mr S noticed this, he contacted Nationwide because he believes it has no right to remove money from his account without his express consent. Nationwide told Mr S the funds were never intended to be paid to him and they were removed before he had access to them. It did apologise for the error and paid an additional £30 compensation. Mr S remains of the opinion that Nationwide had no right to remove the funds and queries whether this is theft.

This service can't give Mr S that advice. If he believes a criminal offence has been committed, then he should pursue this through the relevant authorities. Mr S may wish to take advice on this matter.

Nationwide removed the £100 to correct an error made by its staff. There's an argument to say Mr S should've at least been notified as a matter of courtesy. He wasn't but when the issue was raised, Nationwide explained what had happened and paid compensation. I think the impact here on Mr S is minimal and so the amount awarded by Nationwide is both fair and reasonable.

Taking all the above into account, I think Nationwide's total award of £80 is a fair and reasonable way to resolve the complaint.

My final decision

For the reasons I've given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 11 April 2025.

Stephen Farmer
Ombudsman