

The complaint

Mr U complains that Nationwide Building Society (“Nationwide”) allowed the joint account holder (his ex-wife) to move several direct debits from their joint account to her personal account without his knowledge or consent.

What happened

Mr U held a joint account with his ex-wife with Nationwide. Mr U discovered that his ex-wife had moved several direct debits from their joint account without him knowing or giving consent.

Mr U complained to Nationwide about this. Nationwide accepted it made an error and that it requires permission from both account holders when making changes to direct debits on a joint account and compensated Mr U £150 for the distress and inconvenience this caused.

Mr U was dissatisfied with this and so brought his complaint to this service. He says Nationwide’s mistake caused him a significant amount of stress and anxiety during a very difficult time in his life as he was going through a divorce. He says the loss of control over his finances has left him feeling powerless and he is worried about the possibility of missed payments and defaults on his credit file.

Mr U says Nationwide’s actions forced him into prolonged legal discussions with his ex-wife and wants Nationwide to reimburse his legal fees until a financial order is reached as well as reviewing its procedures so this doesn’t happen again.

One of our investigators looked into Mr U’s concerns and reached the conclusion that the £150 compensation Nationwide had paid for the distress and inconvenience suffered wasn’t enough. They explained as the complaint related to a joint account and we don’t have both parties’ permission to look at it we were unable to ask Nationwide to move the direct debits back as it would affect the other joint account holder. This means Mr U has to do this himself and contact several different companies to change the direct debits back into his name and so they thought this warranted a further £150 for the inconvenience this will cause.

Nationwide have agreed to pay this to settle Mr U’s complaint, but Mr U remains unsatisfied and has asked for an ombudsman’s decision.

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 hope that Mr U won’t take it as a discourtesy that I’ve condensed his complaint in the way that I have. Ours is an informal dispute resolution service, and I’ve concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that. And the crux of Mr U’s complaint is that Nationwide allowed his ex-wife to move direct debits from their joint account without his consent causing him a significant amount of distress and inconvenience at a difficult time in his life.

My role is to look at problems that Mr U has experienced and see if Nationwide has made a mistake or treated him unfairly. If it has, we seek to put - if possible - Mr U back in the position he would've been in if the mistakes hadn't happened. And we may award compensation that we think is fair and reasonable.

Nationwide have already accepted it made a mistake and should've got the consent of both account holders when allowing the direct debits to be moved and compensated Mr U £150 and have agreed to also pay a further £150 compensation – as recommended by our investigator - in recognition of the ongoing inconvenience its mistake has caused.

So I don't need to make a finding here. What I need to do is consider whether what Nationwide has agreed to do to put things right for Mr U is enough.

Mr U doesn't think £300 compensation is enough and wants Nationwide to compensate him for his legal costs until a financial order is reached in his divorce.

But I disagree. I don't think it would be fair to hold Nationwide responsible for these legal costs as I don't think they were incurred as a direct result of Nationwide's mistake as Mr U sadly was already going through a divorce and had appointed a solicitor when the mistake happened.

I agree a mistake has been made and in this case - as our investigator has already explained - it's not possible to reverse the direct debits without the joint account holders consent - so it's not possible to put Mr U back into the position he'd be in if the mistake hadn't happen.

So because of this all we can really do is compensate Mr U fairly for the amount of time he needs to spend putting his direct debits back in order. And having considered everything I think £300 compensation in total is fair for the distress and inconvenience caused.

I accept Mr U will have to spend time contacting a number of companies to sort out his payments which is inconvenient. But I've not seen any evidence Mr U has suffered any direct financial loss from Nationwide's mistake or that Mr U's credit report has been affected because of this.

And ultimately, my role isn't to punish or penalise businesses for their performance or behaviour – that's the role of the regulator. And so with this in mind I do think £300 compensation is fair for the distress and inconvenience Mr U suffered as a result of Nationwide's mistake. And so it follows that I think what Nationwide has agreed to do to put things right for Mr U is a fair way to settle this complaint.

My final decision

For the reasons I've explained, I think the payment of £300 compensation is a fair way to settle Mr U's complaint and I direct that Nationwide Building Society now pay Mr U the outstanding £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr U to accept or reject my decision before 7 April 2025.

Caroline Davies
Ombudsman