

## **The complaint**

Mr and Mrs T's complaint about Nationwide Building Society (NBS) relates to an error by NBS in advising them of the rate they were to pay when porting their mortgage, and also the deduction of an incorrect first payment amount.

## **What happened**

Mr and Mrs T wanted to port their five-year fixed rate mortgage to a new property they were buying. They contacted NBS to discuss matters in June 2024 and say they were assured that the process would be quick and easy. Their mortgage rate at that time was 1.64%. They accept they were told that porting the mortgage would have to take place within six months of the sale of their current property.

Mr and Mrs T purchased their new property before the six months elapsed and moved in on 25 November 2024. On 26 November 2024 NBS notified Mr and Mrs T that in fact the mortgage rate was to be 6.75% and their first payment would be £1,978.06. This was an error on NBS' part as the rate should have been 1.64% and their first payment £1,200.35 with monthly payments thereafter being £1,277.86.

Mr and Mrs T contacted NBS as they were naturally concerned. NBS recognised their error and refunded Mr and Mrs T whilst at the same time credited their account with £175 in compensation.

Mr and Mrs T were unhappy with NBS' offer of compensation pointing out that had it not been for Mr T spotting the error, he would have lost thousands of pounds. He was also concerned that the NBS app showed that they were 'in arrears' on their mortgage which was a considerable concern to them. He was also concerned that their credit file might have been adversely affected. NBS then increased their compensation payment by a further £50 but as this wasn't acceptable to them they approached this service to see if we could assist in resolving the dispute.

Our investigator looked into matters and thought that although there had been poor service, the amount of compensation NBS had paid was enough to put things right.

Mr and Mrs T didn't agree and asked for the complaint to be passed to an Ombudsman for a final 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 know the parties provided more detail than I have provided in my summary, but I have focussed on what I see as the key issues, because it reflects the nature of our service, that being an informal dispute resolution service and an alternative to taking Court action.

My approach is to look at what happened and determine whether I think a business has been unfair or unreasonable. We are an impartial service and so we don't take sides – I'll only ask a business to take further action if there is enough evidence to justify doing so.

If I've not mentioned something in my summary then this isn't because I've ignored it, it's simply because I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

Naturally, I have considered the views of both Mr and Mrs T and NBS together with the available evidence.

The accepted facts are that NBS issued an incorrect first payment notice to Mr and Mrs T showing his first payment to be higher than it should and the rate of interest wrongly stated be on the standard variable rate rather than his five year fixed rate of 1.64%. The mortgage went live and NBS deducted the incorrect higher amount which they ultimately refunded, albeit they did not spot the error and were only alerted to it by Mr T.

NBS has accepted that it didn't get things right and because of that it compensated Mr and Mrs T with £175 to begin with and then a further £50. Mr and Mrs T don't feel this is sufficient and rightly point out that had it not been for Mr T raising the issue, matters could have become much worse.

However, Mr T did notice the error and that in itself limited the extent of the disruption and upset. Mr and Mrs T accept there has been no direct financial loss since they were reimbursed for the overpayments made. They have raised the point that their credit rating may have been damaged, but they have produced no evidence or information to say that has in fact occurred. I note our investigator invited Mr and Mrs T to provide such evidence if they had any, but I can confirm that none has been submitted.

The question therefore becomes whether the compensation already paid has adequately compensated Mr and Mrs T for the distress and inconvenience they experienced.

When I consider the issue of compensation, I start from the point that any award for the trouble and upset caused should be balanced against the ups and downs of everyday life which we all face when dealing with other people, businesses, and organisations, and recognising that at times this can be inconvenient.

It is also important to remember that there is no set figure for compensatory awards, since the facts of each case are different. Ultimately it is an exercise of judgement, looking at all the circumstances and coming to a figure which feels fair, when set against the effect of any failures in service on the person bringing the complaint.

When we make awards of compensation we categorise them and examples of these can be found on our website. In this complaint Mr and Mrs T endured a very brief period of upset before they were reimbursed. NBS accepted their error very quickly and worked fast to resolve matters. Matters could have become a lot worse, but they didn't, and it wouldn't be reasonable to order NBS to compensate Mr and Mrs T for something they didn't experience.

So, in my view I think the relevant category for this complaint would be one in the first category of an award of up to £300.

**My final decision**

Nationwide Building Society has already paid Mr and Mrs T £225 to settle this complaint, and I think that is fair and reasonable. So, my final decision is that I don't require it to do anything else.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T and Mr T to accept or reject my decision before 26 May 2025.

Jonathan Willis  
**Ombudsman**