

The complaint

Mr G complains that Nationwide Building Society failed to advise him that he could have had a current account that paid interest instead of the one he had.

What happened

Mr G says he's had an account with Nationwide for many years. This was a current account (Flex account) which didn't pay interest. He discovered that he could have had an account that paid interest, and that over the years Nationwide had sent him a lot of advertising material and he had been in the branch many times. But he asserts it never advised him about the availability of interest bearing accounts. He believes he's lost many hundreds of pounds in interest over the years. He has now changed his account to a Flex Direct account which does pay interest.

Nationwide said it has to be careful when sending out marketing material, as it can't give financial advice about its products, or suggest one product may be more suitable than another. For the same reason it said it wouldn't expect its branch staff to actively promote one product over another.

On referral to the Financial Ombudsman Service, our Investigator didn't think that it would be fair or reasonable to ask Nationwide to compensate or pay Mr G any lost interest.

Mr G replied that it was Nationwide who chose the account for him and hasn't offered any alternatives at the time or since.

The matter has been referred to me for an Ombudsman's consideration.

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.

This decision concerns Mr G's complaint about his current account with Nationwide. I shall be issuing a separate decision concerning his complaint about Nationwide's fairer share scheme.

From my research, I can see that Nationwide started its Flex Direct account in 2012. So it's likely that when Mr G first opened his Flex account there wasn't an alternative current account available. Currently the Flex Direct account pays 5% on balances up to £1,500 for the first year and 1% thereafter. So, on current rates, for the first year a maximum of £75 assuming the £1,500 balance is maintained. And for subsequent years a maximum of £15.

I don't have the details of the interest rates before then but I would think it likely they were much lower, especially before interest rates started rising in recent years. The Flex Direct account is mostly operated online, and there is limited access to the branch or telephone support compared to the Flex account. I've noted in particular Mr G tells us he frequently visits the branch. I've set this out to highlight that there's no simple answer to the question

about which account is better.

Nationwide does send out marketing material from time to time. It's not able to tell us what particular marketing material was sent to Mr G. Although he does advise that he has had communications about the "paid for" current account, which is another type of account Nationwide offers. So, it seems likely that he would've been sent information about Nationwide's different accounts.

I've seen details of Mr G's current account statements. These clearly set out that no interest is payable, giving a 0% rate. Nationwide has said it offers the products but can't offer financial advice to its customers. I think that's reasonable, and given Mr G's frequent visits to branch I do think that it's likely the information was available about its savings and current accounts for him to make a choice. Also Nationwide provides the opportunity for customers to ask about products over the telephone, online or over the web chat service. I've noted that this is a current account and mostly such accounts either don't pay interest or pay a low rate and it's not intended to operate as a savings account.

So as I don't think Nationwide was required to tell Mr G about the other current accounts it operates I can't reasonably uphold his complaint.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 9 April 2025.

Ray Lawley
Ombudsman