

The complaint

Mr K complains about the length of time it took Nationwide Building Society to refund a Direct debit payment to his account when he made a manual payment to pay the account balance the day before the Direct Debit was taken.

What happened

Mr K holds a credit card account with Nationwide. On 2 September 2024 Nationwide issued a statement advising that a direct debit to take the full balance of the credit card would be taken on 27 September 2024.

On 26 September 2024 Mr K transferred £2880.00 from his Nationwide FlexDirect account to his credit card account. On 27 September 2024 the Direct Debit for the full balance of the credit card was taken (£2810.65).

On 27 September 2024 Mr K called the Credit Card Team and explained that he needed the duplicate payment returned to his current account. The agent advised Mr K that a Credit Balance Refund could be completed, and that the money would take 3 to 5 working days to appear back in his current account.

The refund was made to Mr K's FlexDirect account on 1 October 2024.

Mr K complained to Nationwide. He was unhappy about the timescale for the refund to his current account and about the fees and charges he'd incurred on his current account as a result of going overdrawn.

Nationwide didn't uphold the complaint. It said it was stated on Mr K's statement that payments would be taken by direct debit and that any interim payments must be credited to the account at least three working days before the payment due date. Nationwide said that Mr K had been provided with the correct information that the refund of the additional payment could take 3 to 5 working days.

Mr K remained unhappy and brought his complaint to this service.

Our investigator didn't uphold the complaint. He said that Nationwide had acted in line with the terms and conditions of the account when it issued the refund and that it had correctly informed Mr K regarding the process of interim payments.

Mr K didn't agree. He said he hadn't been provided with a statement which explained the process of interim payments. He said that all he wanted was a swift refund to prevent him from going overdrawn and he believed this should've been possible especially as his credit card account and current account were both held at Nationwide.

Because Mr K didn't agree I've been asked to review the complaint.

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 it will disappoint Mr K, but I agree with the investigators opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on those points which are most relevant to my decision. If I don't comment on a specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

I've reviewed Mr K's monthly statements. On each statement it is stated that payments will be taken by Direct Debit. It further states that the payment amount and date will be confirmed on the front of the statement and will be taken on the due date or the next working day. It also states that interim payments must be credited to the account at least three working days before the payment due date.

I've reviewed the history of the account and I can see that Mr K made a manual payment the day before the payment due date. This didn't give sufficient time for the account balance to adjust so the Direct Debit which was taken on the payment due date was for the full account balance. In order to avoid this happening, Mr K should have made his manual payment at least three working days before the payment due date, as per the advice on his monthly statements.

Mr K has said that he hasn't been issued with statements which explain all the payment terms. He's said that he doesn't receive paper statements and only views his statements in the app. I've looked into this. Within the app there is an option to view current and past statements in their entirety by downloading them. I'm satisfied that Mr K had the ability to view the statements and read the information about interim payments which is contained within them.

Nationwide has confirmed that credit balance refunds can take 3 – 5 days. Based on what I've seen, Mr K was provided with the correct information about this timescale when he contacted Nationwide. Mr K believes that the refund should've been completed sooner. Whilst I understand Mr K's frustration, I can see that Nationwide completed the refund within the timescale they specified, so I'm unable to say that they made an error. This service can't require a business to change its processes and procedures so I can't tell Nationwide to reduce the time that it takes to complete a credit balance refund.

Taking all the available information into account I'm unable to say that Nationwide made an error or treated Mr K unfairly here. I won't be asking Nationwide to do anything further.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 3 May 2025.

Emma Davy
Ombudsman