

The complaint

Mr and Mrs S complain that Nationwide Building Society ('Nationwide') should pay them more compensation than it has offered, after admitting it made a mistake when opening their new joint account.

What happened

In November 2024, Mr and Mrs S visited a Nationwide branch to open a joint savings account. Nationwide made a mistake resulting in the account being opened in the joint names of Mr S and an unconnected third party. When the other person received an unexpected communication from Nationwide, they visited the branch to enquire and the mistake was identified. Nationwide straightaway closed the account and re-opened a new account for Mr and Mrs S.

Nationwide apologised to Mr and Mrs S and offered to pay £500 compensation.

When Mr and Mrs S brought this complaint to us, our investigator thought that Nationwide's offer was fair. Mr and Mrs S disagreed with our investigator, mainly saying that they felt significantly more compensation was appropriate in their particular circumstances.

The complaint has come to me for a 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.

Having thought about everything I've seen and been told, I've independently reached the same overall conclusions as our investigator. I'll explain why I say this.

The main background facts are not in dispute so I don't need to say more about what happened. Nationwide accepted that it made an error in the way it set up the account for Mr and Mrs S. As Nationwide has upheld the complaint, I will concentrate on the question of fair redress, which is the main reason Mr and Mrs S have requested an ombudsman referral.

Our approach to redress is to aim to look at what's fair and reasonable in all the circumstances of a complaint. One way we would try and do this impartially here is to put Mr and Mrs S in the position they'd be in if Nationwide hadn't been responsible for the poor service issues it has admitted. So my starting point is to think about the impact on Mr and Mrs S of what happened.

I've thought first about financial loss. I haven't been provided with anything to show that Mr and Mrs S are out of pocket as a result of any poor service on the part of Nationwide. Fair compensation isn't however just about monetary loss – it also needs to properly reflect the wider impact on Mr and Mrs S of Nationwide's service failings.

I don't doubt that Nationwide's admitted poor service would've been frustrating and inconvenient for Mr and Mrs S. I've taken into account what they've said about their health issues and how anxious they were made to feel by what happened. When Nationwide's complaint handler got some things wrong as well, I can see how this made things even more upsetting for Mr and Mrs S. It doesn't however automatically mean that a larger financial payment is due as compensation.

I consider that Nationwide acted reasonably promptly to put things right. On 26 November, Nationwide corrected the mistake it made on 20 November and wrote to Mr and Mrs S the next day confirming their account was open. So within the week, Mr and Mrs S were able to see the account was correctly showing both their names.

Nationwide's mistake didn't result in Mr and Mrs S' money being put at risk – no withdrawals were made from the account that was in the wrong names.

The third party incorrectly named on the first account received a welcome letter when that shouldn't have happened and Nationwide has said it reported this security breach in line with its procedure. But Nationwide has said that no confidential details about the account that's now been correctly set up for Mr and Mrs S have been disclosed to the third party, or to anyone else not entitled to see that information. I do hope this goes some way towards putting Mr and Mrs S' minds at rest about what happened.

Overall, I think the £500 compensation offered by Nationwide is fair and reasonable in all the circumstances. It reflects the significant distress and inconvenience Mr and Mrs S were caused, taking into account what they've told me about their personal circumstances. Beyond this, I don't agree that Mr and Mrs S' experience warrants further compensation. I am satisfied that £500 matches the level of award I would make in these circumstances had it not already been proposed. It is in line with the amount this service would award in similar cases, and it is fair compensation for Mr and Mrs S in this particular situation.

I have set out below the steps I require Nationwide to take.

Putting things right

Nationwide should pay Mr and Mrs S £500 compensation, as it has already offered to do, to reflect the impact on them of its admitted poor service.

My final decision

My final decision is that I uphold this complaint and direct Nationwide Building Society to take the steps set out to put things right for Mr and Mrs S.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 5 June 2025.

Susan Webb
Ombudsman