

The complaint

Mr and Mrs S complain that Nationwide Building Society sent them incorrect information about their current account which caused them distress.

What happened

Mr and Mrs S said on 4 November 2024 at around 7am they received a text warning them their account would enter the arranged overdraft unless funds were paid into it. But when they checked their account everything appeared in order – so they contacted Nationwide to query this.

Nationwide initially told Mr and Mrs S that when it reviewed the account it couldn't process their direct debit payment due to insufficient funds. But as they received a credit into their account, the payment would be reattempted later that day. When Mr and Mrs S queried matters further and explained there were no further payments due, Nationwide clarified that the credit into the account allowed their direct debit payment to be collected without going overdrawn or incurring any charges. Unhappy with the text alert they received and the information provided, Mr and Mrs S raised a complaint.

Nationwide didn't think it made an error in relation to the text alert Mr and Mrs S received. It explained its system automatically generates text alerts, based on the account balance data available to it at midnight, and delays sending the alert until a reasonable hour. So when the system reviewed Mr and Mrs S' account, the balance was insufficient to cover the direct debit payment which was due at that time. However, incoming funds cleared shortly after it received the direct debit instruction, so the payment went through without any charges to the account. While Nationwide didn't think it had made an error in issuing the text alert, it said it had provided incorrect information about the transactions on the account when Mr and Mrs S contacted it, so it paid £100 compensation to address this.

Our Investigator looked into matters and felt the compensation offered was fair. They didn't think Nationwide had done anything wrong in sending the text alert as the incoming funds cleared after the direct debit instruction was received. They also felt £100 compensation for the misinformation given by the advisors was reasonable.

Mr and Mrs S disagreed. They said, in summary, Nationwide knowingly sent incorrect information which left them feeling helpless and extremely anxious. They believe its systems are wrong and dangerous.

As Mr and Mrs S remained unhappy, the case was passed to me to make 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.

Firstly, I've carefully considered everything both parties have said, if I don't directly reference something in my decision it is not because I've not given this consideration. But I've focused on what I consider to be the crux of the complaint.

It may be helpful to explain we're not the regulator, so we can't tell a business to change its systems. The systems a business chooses and how they operate them is a commercial decision it can make. I'm required to consider the impact on the individual for the issues I think the business got wrong, and in this case I don't think Nationwide made an error when it sent Mr and Mrs S the text alert.

I say that because Nationwide's notes show Mr and Mrs S' account balance at midnight on 4 November 2024 was too low to cover a payment which was due to debit their account that day. I can see Mr and Mrs S had incoming funds which cleared in the early hours of the morning leaving the account with sufficient funds for the payment to go through, but these funds cleared after Nationwide reviewed the balance on the account at midnight.

I can understand why Mr and Mrs S were concerned when they received the alert from Nationwide given their account was in order at the time. But I don't think it has acted unfairly or unreasonably here. Nationwide has told us the text alert is based on the account balance at midnight, and although I agree that information from a service provider should be accurate, I don't think it is unreasonable for its system to generate alerts based on the balance at the time of its review and send this at a reasonable hour. I appreciate this caused Mr and Mrs S anxiety and the alert wasn't helpful for them on this occasion, but these alerts are automated and issued to help customers keep their accounts in order. However, if Mr and Mrs S would like to opt out of text alerts, Nationwide has told this service they can do this via the banking app, internet banking, telephone or by visiting the nearest branch.

I note Mr and Mrs S have said they were able to check their account was in order prior to contacting Nationwide. And when Mr and Mrs S contacted Nationwide via webchat shortly after, it explained the reasons why they received the text alert. Therefore, whilst I recognise that Mr and Mrs S may have been initially concerned when they received the text message, I think they had enough information relatively quickly to know they didn't need to take further action on the account.

However, from what I've seen, I think Nationwide could have handled things better when Mr and Mrs S contacted it. I can see they were given incorrect information about the payment being reattempted when it had already left the account and timing of an incoming transaction. Nationwide accepted it made an error when it shared incorrect information, and to put things right it paid £100 compensation. I've thought about whether I think this is fair considering the impact on Mr and Mrs S, and I think it is.

I also note Mr and Mrs S had some issues with the webchat when they contacted Nationwide. I've been provided with a response from Nationwide's IT department stating there were no problems on its end when Mr and Mrs S contacted it, and I haven't seen any evidence to suggest otherwise. But even if I did see something to suggest it was Nationwide's fault, I think the £100 already paid would be sufficient.

Taking everything into account, whilst I appreciate this isn't the outcome Mr and Mrs S were hoping for, I won't be asking Nationwide to do anything more than it already has.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs S to

accept or reject my decision before 28 July 2025.

Tania Henry
Ombudsman