

The complaint

Ms R complains that Nationwide Building Society should have written off the outstanding balance of her loan account sooner than it did.

What happened

Ms R took out a loan account with Nationwide, which included an insurance policy. Around 2007, Ms R says she became too unwell to work. Nationwide wrote to her in September, November and December 2007 to explain she may be able to make a claim on her loan insurance but if it didn't hear from her, her account may default. Ms R says Nationwide then didn't accept her claim and continued to send her annual statements showing the outstanding balance of the loan.

Ms R complained to Nationwide in late 2023 that it should have written off her loan sooner. Nationwide didn't uphold the complaint but said it was now prepared to consider writing off her debt. Ms R got back in touch with Nationwide and, by January 2024, it had agreed to write off the outstanding balance of the loan.

Ms R remained unhappy and referred her complaint to our service – she said Nationwide's failure to write off the loan sooner than it did left her unable to obtain credit elsewhere. Ms R also said her first husband had repaid the remainder of her loan but Nationwide hadn't given her a receipt.

One of our Investigators thought there was insufficient evidence to show Nationwide had received a response to its letters in 2007, and it had acted reasonably in writing off the outstanding balance owed in 2024. The Investigator said there was no evidence to show the loan should have been repaid sooner or that Nationwide should be liable for any difficulties Ms R had in obtaining credit. Ms R didn't accept our Investigator's opinion, so this 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 done so, I'm sorry to read of Ms R's health difficulties and wish her well. But having reviewed her complaint, I've not upheld it. I realise my decision will disappoint Ms R, but I'll explain my reasons.

Nationwide has now written off the outstanding balance of Ms R's loan so the only issue for me to decide is whether it should have done so sooner.

Here, Ms R says Nationwide shouldn't have continued to say she owed an outstanding balance as it should have written it off when she made a claim on her insurance. Because of the time that's passed, there's limited information available here. The only evidence we have

from the time shows Nationwide tried to contact Ms R about a possible claim but didn't get a response. Neither Ms R nor Nationwide have any documentation to show she provided the information required for Nationwide to accept a claim under her insurance policy before 2024.

Overall, I don't think the evidence shows Nationwide was obliged to accept a claim on the insurance policy or write off the outstanding balance of the loan sooner than it did. So, I don't think Nationwide is obliged pay Ms R any compensation for any upset caused or difficulty obtaining credit caused by not writing off the outstanding balance sooner than it did.

As I don't think the evidence shows Nationwide should have written off the outstanding balance sooner than it did, I think it was reasonable for Nationwide to continue to send Ms R annual loan statements.

I note Ms R has told our service her first husband repaid her loan, and Nationwide didn't provide a receipt for this or give her receipts for loan repayments she made. Ms R added Nationwide didn't give her a copy of her insurance policy. However, there are no details available about these issues or evidence to show Ms R raised them with Nationwide previously. In any event, without any persuasive evidence to show there were any mistakes on Nationwide's part, there are no grounds for me to ask Nationwide to compensate Ms R.

My final decision

For the reasons explained above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 10 July 2025.

Victoria Blackwood
Ombudsman