

The complaint

Mrs K is unhappy Nationwide Building Society left her accounts open and reported a current account on her credit file as restricted, when she believed the accounts had never been opened.

What happened

In August 2021 Mrs K applied to open a current account and a savings account with Nationwide. However, the process was not completed as identification checks weren't fulfilled. Mrs K previously raised a complaint about this with Nationwide in 2022. They apologised at the time, asked Mrs K to come into branch with identification in order to open the accounts and paid £100 compensation.

Mrs K has explained following her previous complaint she then went into branch to provide her identification again, but she heard nothing more from Nationwide. She presumed the accounts had then been closed. However, in 2024, Mrs K was distressed to find that the current account was showing on her credit file as open but restricted. So, Mrs K raised a new complaint.

Nationwide accepted that the account should have been closed in 2021 – two weeks after the application – when identification checks weren't completed. They apologised for the error, closed the account and corrected Mrs K's credit file to reflect this. Nationwide also paid Mrs K £200 compensation. However, Mrs K didn't believe Nationwide had done enough to help her as a vulnerable consumer, struggling with her mental health and at the time wanted £300 compensation. As she remained unhappy, Mrs K brought the complaint to our service.

Our investigator agreed that an error had been made but considered that Nationwide had done enough to put things right in the circumstances. Mrs K disagreed, detailing the impact this has all had on her mental health.

After reviewing the complaint, I initially wrote to both parties to explain that I thought the compensation offered was too low in the circumstances and that this should be increased by a further £100. Nationwide agreed but Mrs K didn't. In summary she didn't think this accurately reflected the distress caused by Nationwide and the ongoing issues she's had with them.

As Mrs K didn't agree, I've reviewed the complaint again and am now issuing this final decision on 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.

Having done so, I still consider that a fair way to resolve this complaint is to increase the compensation by a further £100. I appreciate this may be disappointing for Mrs K, but I'll explain my reasoning why.

I'd like to clarify from the outset that my decision only focuses on the events raised with Nationwide in 2024. Any issues that Mrs K previously raised with them in 2022, for example Nationwide sending letters to a different address, have not been considered in this complaint as they were not raised with our service within six months of the final response letter being issued. This means that these complaint points weren't raised with our service in time and so our service doesn't have the jurisdiction to look into these points. So, I make no findings on these points.

Having said that, it's not in dispute that Nationwide should have closed Mrs K's accounts in 2021 when they weren't satisfied with the identification checks at account opening. It's a common process that a bank would ask for relevant identification when opening an account for a customer. And when this wasn't provided, the accounts should have been closed.

I also don't think it's in dispute that Mrs K has been given conflicting messages throughout her interactions with Nationwide. And as I've previously recognised to both parties – I think Nationwide could have done more to support Mrs K as a vulnerable customer.

It's not our role to fine or punish a business where a mistake has been made. But where there has been an error – we'd expect a business to put the customer back in the position they would have been had the error not occurred. So, my decision has focused on whether or not Nationwide have done enough to put things right.

As I've already said, Nationwide have now closed the accounts and corrected Mrs K's credit file. But this has taken much longer and more effort on Mrs K's part than I would expect to have been necessary. However, Mrs K has said she believed the accounts had been closed when she had heard nothing further from Nationwide after providing her identification again in 2022. So, she can't have been worrying about it in the intervening time. And while I don't doubt that it would have been distressing for Mrs K to see the current account as open on her credit file in 2024, I haven't been presented with anything to show this has had a negative financial impact on her.

I don't doubt how strongly Mrs K feels about this complaint and that she's spent time and incurred costs attending branch to try and resolve the issues previously. But overall, I consider the corrective actions outlined above along with a total of £300 compensation is a fair and reasonable resolution to this complaint and in line with awards our service recommends.

My final decision

My final decision is that I uphold this complaint and instruct Nationwide Building Society to pay Mrs K a further £100 compensation, in addition to the £200 compensation they've already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 27 June 2025.

Laura Davies
Ombudsman