DRN-5591611

Financial Ombudsman Service

The complaint

Mr G complains about the way in which Nationwide Building Society communicated an interest rate rise to him.

What happened

Mr G holds a credit card account with Nationwide.

In February 2025 Nationwide sent Mr G a letter advising him of a change to the rate of interest applicable to his credit card. The letter stated:

"The interest rate on your credit card will go up from 14.9% to 19.9%. This is a rise of 5%. Your interest rate is going up by 5%"

Mr G raised a complaint with Nationwide. He said the information in the letter was misleading because it failed to distinguish between percentage and a percentage point.

Nationwide didn't uphold the complaint, so Mr G brought his complaint to this service.

Our investigator didn't uphold the complaint. She said the way in which Nationwide had described the increase was a commonly and widely accepted way for lenders to describe changes to the interest rate. The investigator said that whilst she acknowledged Mr G's perspective, she didn't think the letter was inaccurate or misleading.

Mr G didn't agree. He said Nationwide had failed to acknowledge the distinction between percentage and percentage point in its communications with him. Mr G said Nationwide was misleading customers into thinking the interest rate rise was small whereas it was actually a 33.6% increase.

Because Mr G 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 G, 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 particular point, its 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 the letter that Nationwide sent advising of the interest rate increase. Nationwide has described the increase as "a rise of 5%" and "a 5% increase" to explain the increase from 14.9% to 19.9%.

This wording isn't an unusual way for providers of credit to communicate changes to the applicable rate of interest to customers. I don't think there's anything misleading in the way the increase has been explained. The change in the rate from 14.9% to 19.9% has been clearly stated.

I appreciate that Mr G has a different view about the way in which the change to the interest rate has been communicated. I don't disagree with his analysis that an increase from 14.9% to 19.9% represents a 33.6% increase. However, I don't agree that Nationwide has deliberately set out to mislead customers into thinking that the increase is smaller than it is.

I understand and acknowledge Mr G's perspective on this; however, I'm not persuaded that Nationwide has made an error or treated Mr G unfairly.

I'm unable to uphold the complaint for the reasons I've explained.

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 G to accept or reject my decision before 6 August 2025.

Emma Davy
Ombudsman