

## **The complaint**

Mr G complains that Nationwide Building Society treated him unfairly when his mortgage fell into arrears.

## **What happened**

Mr G's mortgage fell into arrears in late 2023. Mr G says Nationwide took recovery action instead of offering support, such as a lower interest rate, and added legal fees and field agent fees to the mortgage account. Mr G said there was no point in him contacting Nationwide with income and expenditure information as he couldn't afford to make mortgage payments. Mr G says it was unfair for Nationwide to continue with a possession hearing in mid-2024 after he'd told it he'd found a job.

Mr G says the effect on his credit score impacted his ability to find suitable work. His property is in shared ownership and he has rent arrears and is in dispute with the housing association. Mr G says the housing association carried out work on the property which made it unpleasant to live in, and meant he couldn't sell it or let out the spare room for extra income.

Our investigator said Nationwide made reasonable efforts to contact Mr G and couldn't offer suitable options to support him without information about his circumstances. Our investigator said it was reasonable for Nationwide to take recovery action given the level of arrears.

Mr G didn't agree and asked for an ombudsman to re-consider the matter. He explained his reasons in detail.

## **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.

Mr G's preferential interest rate product expired at the end of August 2023. After this, Nationwide's variable rate applied and Mr G's contractual monthly payments increased. Nationwide wrote to Mr G to remind him that his interest rate product was due to end and to tell him what his new monthly payment would be.

Mr G didn't take out a new product. He made no mortgage payments after September 2023 and his account fell into arrears. Mr G told Nationwide in November 2023 that he had no income after losing his job and had applied for universal credit.

Nationwide says it tried to contact Mr G by letter and phone calls, without success. It provided records of its attempts to contact Mr G and copies of some of its letters to Mr G.

Mr G says he didn't contact Nationwide as this was pointless. He says he provided income and expenditure information in November 2023 and Nationwide didn't offer any support. Nationwide's notes of this call say Mr G would call back once the income and expenditure information was uploaded to Nationwide's system.

Mr G didn't respond to Nationwide's letters and calls. Nationwide asked a field agent to visit Mr G in mid-February 2024. I think this was fair, given that Nationwide had been unable to contact Mr G since November 2023 and his arrears were increasing. The field agent didn't make contact with Mr G during the visit but spoke to Mr G in early March 2024. The field agent's notes say that Mr G refused to make an appointment and said he didn't need to provide income and expenditure information as he didn't have enough money to pay the mortgage.

Mr G disputes that the field agent tried to visit him and says it's unfair for Nationwide to add the fee to his mortgage account. Nationwide refunded the fee for the field agent visit. I don't think it's fair and reasonable to require Nationwide to take further steps regarding this part of Mr G's complaint.

In June 2024 Nationwide started legal action. While I appreciate how upsetting this was for Mr G, I think this was fair in the circumstances. Mr G hadn't made a mortgage payment since September 2023. He hadn't been in contact with Nationwide to provide the information it needed to agree a plan or consider what support it could offer. Mr G's arrears increased each month. Delaying recovery action could put him in a worse position.

A court hearing was scheduled for 23 July 2024. Mr G called Nationwide about a week prior to this, to say he was starting a new job and would be paid at the end of August 2024. He couldn't make a payment before then. Nationwide said it wouldn't cancel or re-arrange the hearing without a plan to tackle the arrears, which at this point were over £7,000.

Nationwide made two further calls to Mr G before the court hearing. It says this shouldn't have happened and offered £150 to Mr G for the upset this caused.

The court adjourned the hearing for three months, to give Mr G an opportunity to make payments after starting work. Mr G resumed making mortgage payments.

Nationwide booked an appointment for Mr G with a mortgage adviser. Prior to this, Mr G sent an email saying how upset he was at how he'd been treated by Nationwide. He told Nationwide he had health issues and was in dispute with the housing association. He said he found it difficult to discuss the account with Nationwide due to his work commitments and call wait times.

I think Nationwide responded fairly to Mr G. It asked Mr G for times and dates that were convenient for him, to discuss what was affordable and record his income and outgoings. It said it could then look at reducing his interest rate. When Mr G said he wasn't available during working hours Monday to Friday and would prefer a face-to-face meeting on a Saturday morning, Nationwide offered a home visit by a field agent. Mr G didn't confirm that he wanted this. Nationwide emailed an income and expenditure form, which Mr G didn't complete and return.

Nationwide suggested options to Mr G, such as consolidating the arrears if he was able to maintain payments for six months or a tracker interest rate product to reduce his monthly payments. Mr G wasn't happy with these options. He said he was unable to maintain mortgage payments as he needed to make payments to the housing association, other lenders and HMRC. Nationwide agreed a short no payment period to January 2025 to give Mr G time to take independent advice about whether to sell the property. It put recovery action on hold while the complaint has been with us.

Mr G says Nationwide should have done more to help him. But, in fairness, I think Nationwide was limited in what support it could fairly offer without information from Mr G about his circumstances. I think Nationwide made reasonable and fair efforts to contact

Mr G, in order to discuss his circumstances and what options were available to support him through a period of difficulty and ultimately get the mortgage back on track. Nationwide offered discussion by phone or in person with a field agent, it sent an income and expenditure form by email for Mr G to complete.

Rules on mortgage regulation require lenders to treat customers in financial difficulty fairly and engage with them to discuss their circumstances and available options to get the mortgage back on track. Lenders must be able to justify their decisions and demonstrate that they considered a borrower's individual circumstances before offering (or declining) a concession. Lender shouldn't offer forbearance if it would leave the borrower in a worse financial position.

Mr G says he told Nationwide he received universal credit and it could use a formula to work out what was affordable. I don't think that would be fair. Nationwide needed Mr G to provide information about his own, individual circumstances. Mr G told us he's now out of work due to health issues. I would urge Mr G to engage with Nationwide and provide the information it needs to consider what options might be available.

Mr G has been through a difficult time. He lost his job and had difficulty finding suitable employment. Mr G is in dispute with the housing association that he shares ownership of the property with and has rent arrears. He found it difficult to live in the property while work was carried out and has health issues to deal with. From what Mr G says, it seems he has debts in addition to the mortgage arrears and rent arrears. While I'm very sorry for everything Mr G has to deal with and appreciate how distressing this has been, I think these difficulties are largely due to matters unrelated to his mortgage with Nationwide.

There's no rule or regulation that requires Nationwide to write off all or part of Mr G's arrears, and I don't think the circumstances make it fair to require it to do so here. Nationwide removed legal costs from Mr G's mortgage account after it was told about the work being carried out at the property. It said if it had known about this it might not have started legal action. Nationwide also refunded the field agent fee and offered £150 compensation for calling him unnecessarily in July 2024. I think that's fair.

I don't think, in the circumstances, it's fair and reasonable to require Nationwide to pay additional compensation or take further steps regarding this complaint.

### **My final decision**

My decision is that Nationwide Building Society should pay £150 to Mr G, if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 14 July 2025.

Ruth Stevenson  
**Ombudsman**