

The complaint

Mr S said he'd recently asked Nationwide Building Society for a Decision in Principle ("DIP") which he understood was a binding offer of mortgage lending. But he said it wouldn't lend to him, although he said he'd previously received a DIP. Mr S said the change made no sense.

What happened

Mr S said that in February 2025, he'd asked Nationwide for a mortgage Decision In Principle ("DIP"), which he understood would form a binding confirmation of his mortgage eligibility. But he said Nationwide turned him down, although in mid-2024, he said he had been given a DIP for around £110,000 and he said he'd also been given, just days earlier, an apparently non-binding mortgage calculation of just under £180,000.

Mr S said he'd changed employment not long before the first DIP was done, so he couldn't understand why Nationwide would lend to him then, when he was just establishing himself in a new job, but now wouldn't. He said no one had explained to him why the position had changed. Instead Nationwide was now denying that he'd received a DIP in 2024.

Mr S said he may need to move in the near future, so needs to know the mortgage he can take out. He thought Nationwide should be prepared to lend him a figure of around £180,000 as it had suggested.

Our investigator didn't think this complaint should be upheld. He said Mr S hadn't been given a DIP in June 2024. Our investigator said he'd listened carefully to the relevant calls, and Nationwide said then that it didn't think Mr S could afford the mortgage he wanted. So Nationwide's position hadn't changed. And our investigator didn't think Nationwide had got this wrong.

Mr S strongly disagreed, he said he had been given a DIP in mid-2024, and because Nationwide would lend to him then, he still couldn't understand why it wouldn't lend to him now. He said Nationwide was just shifting the goalposts. He said we should listen to the calls he'd had with Nationwide, so we could hear that he'd been given a DIP.

Our investigator said he had listened again to the calls, and Mr S wasn't given a DIP in June 2024. Rather, he was told that mortgage lending didn't appear to be affordable for him. Our investigator said that having listened to several calls with Nationwide, it appeared that each time Mr S asked for a DIP, he was refused on grounds of affordability.

Mr S still thought there must be another call recording, when his mortgage eligibility had been confirmed. He said he'd requested a pension forecast because Nationwide needed that information, and once it was supplied, in early June 2024, he spoke to Nationwide again and got the DIP. Mr S then wrote again, to say that he'd found an email from January 2025 setting out the information he would need for a DIP.

Mr S wanted his complaint to be considered by an ombudsman, so it was passed to me for a final 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.

I've reached the same overall conclusion on this complaint as our investigator.

I think there's been some confusion here about the effect of a mortgage DIP, or Decision In Principle. So I'd like to be clear on that at the outset. The DIP that Mr S has asked for would not, in any way, be binding on Nationwide. A DIP is merely an indication of what Nationwide might be prepared to lend.

A DIP can be helpful for buyers, so they know what size of mortgage they may qualify for, and it can be helpful for sellers, to show the buyer could afford their property. But it's not a binding offer of lending.

That means even if Nationwide had given Mr S a DIP in June 2024, it still wouldn't be obliged to lend him that much money. After a DIP is issued, Nationwide would then do a considerable number of further checks, before it made any actual offer of a mortgage. Any future mortgage offer could be binding, but a DIP would not be.

Mr S also said he'd been given a DIP over the phone, which is why he wanted us to listen to the calls he had with Nationwide. But if Nationwide gave him a DIP, then I'd expect him to have written evidence of that. He'd have been sent a document or an email by Nationwide, saying what it might be prepared to lend him. And Nationwide would also have a record of this. In this case, Nationwide says it hasn't given Mr S a DIP, and Mr S hasn't shown us evidence of a DIP.

Like our investigator, I've listened to the calls Mr S had with Nationwide. I can hear that on a call in early June, Nationwide told him it wouldn't be able to offer him any lending on the basis of the information he had then. So there was no DIP issued on this call. Nationwide also said he would need to be able to provide his anticipated retirement income.

Mr S then had a further call with Nationwide in mid-June, when he asked again about a DIP. He then had details of his retirement income, but Nationwide still said it didn't think a mortgage was affordable for him.

On this call, Nationwide put the same figures into its online calculator, and said that it may be able to lend him up to £103,000. But this wasn't a DIP. All Nationwide did then was use the very general figures available from its online calculator, and on the very same call Nationwide's more detailed assessment of Mr S's position resulted in it declining to lend.

Mr S rang back in February 2025. By that time he'd been with his new employer for long enough to provide an annual income. But Nationwide again said that mortgage lending would be unaffordable for Mr S. It explained that it couldn't assume Mr S would carry on working indefinitely, and looking at the income he could show he'd receive in retirement, it didn't think he could afford a mortgage.

On this call, Nationwide also explained that its online calculator, which Mr S said had produced a much higher lending amount, wouldn't take into account Mr S's future change in income when he was no longer able to work.

I don't think the decision Nationwide made in February 2025 is inconsistent with what Nationwide said previously, and I haven't been able to see that Nationwide's decision here was unfair or unreasonable.

I hope I've now set out clearly for Mr S the reasons why I don't think he had ever received any Decision In Principle from Nationwide, as well as explaining why a DIP wouldn't be binding on Nationwide in any event.

I know that Mr S will be disappointed, but I don't think his complaint should be upheld.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 2 October 2025.

Esther Absalom-Gough
Ombudsman