

The complaint

This complaint's about a decision-in-principle (DIP) Miss F received from Nationwide Building Society in connection with what turned out to be an abortive mortgage application. She believes the DIP was issued incorrectly, because it didn't record her intention to release the car she had from her employer on a salary sacrifice arrangement. By the time she'd done this, and provided the evidence to Nationwide, the DIP had expired. In the meantime, Nationwide's eligibility criteria for the type of mortgage Miss F wanted had changed, and she no longer qualified.

What happened

I don't need to set out the full background to the complaint. This is because the history of the matter is set out in the correspondence between the parties and our service, so there is no need for me to repeat the details here. In addition, our decisions are published, so it's important I don't include any information that might lead to Miss F being identified.

So for these reasons, I will instead concentrate on giving a brief summary of the complaint, rounding the figures, followed by the reasons for my decision. If I don't mention something, it won't be because I've ignored it; rather, it'll be because I didn't think it was material to the outcome of the complaint.

On 15 October 2024, following a phone conversation with Miss F, Nationwide issued a DIP for a "Helping Hand" mortgage of £180,000, based on Miss F's salary of around £37,000. The expiry date on the DIP was 14 January 2025. On 5 December 2024, after Miss F had found a property, assessment of her application began. By now, Miss F was planning to end the salary sacrifice arrangement and give up her car, with the aim of borrowing more. On 5 December 2024, Nationwide issued a revised DIP for a mortgage of £224,000. The expiry date of the revised DIP was still 14 January 2025. In a contemporaneous note dated 10 December 2024, Nationwide recorded that it would need written confirmation of the car being surrendered.

Between the two DIPs, Nationwide had set the minimum salary requirement for a Helping Hand mortgage at £35,000. Nothing turns on this, as Miss F's salary was still above the new threshold. I mention it merely for context, because on 21 January 2025, Nationwide changed the threshold again, this time raising it to £40,000. Then, on 30 January 2025, Miss F surrendered her salary sacrifice car, and Nationwide received evidence of this on 12 February 2025.

By then, the DIP had expired and Miss F needed to start a fresh application. Unfortunately, she was no longer eligible because her income was below the £40,000 threshold. Miss F was able to get a mortgage with a different lender, but complained about the abortive costs she'd incurred in connection with the Nationwide application.

The essence of Miss F's complaint is that she believes Nationwide issued the first DIP in error by not factoring in the release of the car. Nationwide rejected the complaint; our investigator, whilst sympathetic towards Miss F's situation, wasn't persuaded Nationwide had done anything wrong.

Miss F remains unhappy so the case has come to me for review.

What I've decided – and why

Heading

I'll start with some general observations. We're not the regulator of financial businesses, and we don't "police" their internal processes or how they operate generally. That's the job of the Financial Conduct Authority (FCA). We deal with individual disputes between businesses and their customers. In doing that, we don't replicate the work of the courts.

We're impartial, and we don't take either side's instructions on how we investigate a complaint. We conduct our investigations and reach our conclusions without interference from anyone else. But in doing so, we have to work within the rules of the ombudsman service, and the remit those rules give us.

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've set out my conclusions and the reasons for them below.

I don't think Nationwide made a mistake by issuing the first DIP without factoring in the surrender of the car. The existence of the arrangement was disclosed in the original call, but the intention to end it wasn't.

I also don't think Nationwide made a mistake when it issued the second DIP with an unchanged expiry date; both DIPs related to the same mortgage application. In any event, the expiry date was clearly set out, as was the narrative explaining that the DIP was not a guarantee to lend and that the application would be subject to Nationwide's lending criteria, which could change. If Miss F had any qualms about the second DIP not having a refreshed 90-day validity period of its own, she had the opportunity to raise them at the time.

By the time Miss F had ended the salary sacrifice arrangement and provided evidence of having done so to Nationwide, two things had happened; the DIP had expired, and the minimum salary threshold had been raised and Miss F no longer met the eligibility criteria meaning a new application wouldn't be viable. That's cruel luck for Miss F, and she has my sympathy. However, none of it is because Nationwide did something wrong.

I said at the outset that I wouldn't be commenting on every single point, and I haven't. I have, as I said I would, confined myself to those matters that I consider have a material effect on the outcome. I can see how important this is to Miss F. That's a natural reaction, and entirely understandable when you're as close to a situation as she is here.

But I have a different remit. I have to be objective, and impartial, deciding what is fair, reasonable and pragmatic in all the circumstances of the case. Having done that, and having considered everything that both parties have said and provided, I don't find that Nationwide has treated Miss F unfairly.

My final decision

My final decision is that I don't uphold this complaint.

My final decision concludes this service's consideration of this complaint, which means I'll not be engaging in any further consideration or discussion of the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 18 November 2025.

Jeff Parrington

Ombudsman