



The complaint

Mr B is unhappy that Nationwide Building Society applied a £12 charge to his account.

What happened

Mr B raised a complaint with Nationwide as he couldn't understand why a £12 'default' fee applied to his account and was showing on his account statement every month.

Nationwide responded to Mr B and explained that the fee was effectively a late payment fee, and that because the fee didn't incur any interest, the partial payments that Mr B made to the account every month didn't clear the fee, because they were applied to account balances that did incur interest, as per the terms and conditions of the account. Mr B wasn't satisfied with Nationwide's response, and he disagreed that he had ever been late with a payment, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that Nationwide had acted unfairly towards Mr B and so didn't uphold the complaint. Mr B remained dissatisfied, so the matter was escalated to an ombudsman 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.

Having done so, I note that Mr B has provided several detailed submissions to this service regarding his complaint. I'd like to thank Mr B for these submissions, and I hope that he doesn't consider it a discourtesy that I won't be responding in similar detail here. Instead, I've focussed on what I consider to be the key aspects of this complaint, in line with this service's role as an informal dispute resolution service.

This means that if Mr B notes that I haven't addressed a specific point he's raised, it shouldn't be taken from this that I haven't considered that point. I can confirm that I've read and considered all the submissions provided by both Mr B and Nationwide. Accordingly, I also confirm that if Mr B notes that I haven't responded to a specific point, I have considered that point, but I don't feel it necessary to address it directly in this letter to arrive at what I consider to be a fair resolution to this complaint.

Regarding the scope of this complaint, I confirm that I only consider the issues discussed in the preceding section as being in scope. Any points of complaint that Mr B may have raised with Nationwide as separate complaints are not in scope here. Similarly, any further points of complaint, that Mr B had not yet raised directly with Nationwide, are also out of scope.

Mr B has said that he has never made a late payment. However, Nationwide have provided account statements that I'm satisfied confirm that Mr B did make a late payment in August 2022. Specifically, Mr B was required to make at least his minimum contractually required monthly payment to Nationwide by 15 August 2022 but didn't. Instead, Nationwide received payment from Mr B on 18 August 2022, three days late. As such, I'm satisfied that

Nationwide haven't acted unfairly by applying the £12 fee to Mr B's account.

Mr B has said that he made a payment to Nationwide before 15 August 2022, and that he isn't responsible for any payment processing delays. I'm not persuaded by Mr B's argument here, and I feel that it was his responsibility to ensure that Nationwide received payment by the due date – which ultimately didn't happen.

I'm aware that Mr B initially struggled to understand the fee, but I feel that the nature of the fee has now been clearly explained to him. To reiterate, the fee was applied because Mr B made a late payment in August 2022. The fee has remained, visible and unpaid, on Mr B's monthly account statements since that time, but the fee was only charged once.

The reason the fee remains visible on the account statements is because of how Nationwide allocated received payments to the account. Specifically, Nationwide allocate payments to account balances (such as purchase balances) that accrue interest first, and its only if a monthly payment fully clears all interest accruing balances that any remaining money will be allocated to clear non-interest accruing balances.

In Mr B's case, he hasn't ever made a monthly payment that has cleared in full all the interest accruing balances on his statement, which means that the fee remains uncleared.

All of which means that I won't be upholding this complaint or instructing Nationwide to take any form of action here. This is because I feel that the £12 fee was fairly applied to Mr B's account, and that the nature of that fee has now been clearly explained to Mr B.

I realise this won't be outcome Mr B was wanting, but I trust that he'll understand, given all that I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 1 October 2025.

Paul Cooper
Ombudsman