

The complaint

Mr and Mrs N have complained that Nationwide Building Society (“Nationwide”) increased the amount they were being charged for medical upgrades on the travel insurance provided through the Flex Plus packaged bank account.

Mr and Mrs N have also complained that they paid for a medical upgrade – which lasts for one year – and during that year, Nationwide wrote to them to say that the monthly account fee would be increasing from £13 to £18 per month.

What happened

On 14 March 2024 Mr and Mrs N purchased a medical cover upgrade for the travel insurance provided through their Flex Plus account. However, later on in 2024, Nationwide took the decision to increase the monthly account fee for the Flex Plus account to £18 – this price increase came into effect in December 2024.

Following this Mr and Mrs N complained to Nationwide. Nationwide issued its final response in February 2025 and didn’t uphold the complaint. In summary, Nationwide said that the monthly fee had risen as the cost to provide the different insurance products included with the account had increased. It explained that the price of upgrades is set by the insurer and also explained that due to the time frames, the insurer was not prepared to give Mr and Mrs N a refund.

After Mr and Mrs N referred their complaint to this service, one of our investigators assessed the complaint, and they didn’t uphold the complaint.

As Mr and Mrs N didn’t accept the investigator’s assessment, the matter was referred for an ombudsman’s 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.

We’ve explained our approach to complaints about packaged accounts on our website, and I’ve used that to help me decide this complaint. And having considered everything, I don’t uphold this complaint. I will explain why.

Mr and Mrs N say that each time they have renewed a medical upgrade for their Flex Plus travel insurance, the amount being charged had increased. They are unhappy with this because, prior to having the Flex Plus account, they had travel insurance included with a fee-free Flex Account and were charged less to upgrade the cover it provided.

I can appreciate why Mr and Mrs N are unhappy that the medical upgrade has kept increasing. However, the decision to charge Mr and Mrs N a premium for a medical upgrade is a decision that the insurer, rather than Nationwide, is responsible for. So I can’t reasonably say that Nationwide is at fault or has acted unfairly because a travel insurer has deemed it necessary to charge them more, to cover similar risks than before.

Mr and Mrs N had previously relied on travel insurance provided through a fee-free Flex Account. So I understand why they were disappointed when Nationwide decided to remove this feature from the Flex Account. But it is a reasonable exercise of Nationwide’s

commercial judgement to decide what products and features it includes with its current accounts. Or to put it another way, it is beyond the remit of this service to dictate to financial businesses what products or services it should offer its customers or what prices it should charge for those products.

However, when making such changes, Nationwide is obliged to provide affected customers with clear information about the changes being made and provide reasonable notice, so that customers can consider their options and make an informed decision. And it seems that Mr and Mrs N were made aware, with reasonable notice, that the travel insurance was being removed as a feature of the Flex Account, but that (enhanced levels of) travel insurance cover was offered as a benefit on the Flex Plus account. I understand this is what led them to upgrade their account to the Flex Plus account so that they could continue to benefit from the travel insurance provided through their account.

So from what I have seen, it seems that Nationwide did what it was required to do and Mr and Mrs N were able to make an informed decision as to whether the Flex Plus would be appropriate for their circumstances and needs at the time.

Turning now to the issue regarding the upgrade, Mr and Mrs N purchased a medical upgrade on 14 March 2024. For an additional premium this meant that the insurer agreed to provide cover for an existing condition. This upgrade operated for a year and expired in March 2025.

However, during that upgrade year, Nationwide announced that it would be increasing the monthly fee for the Flex Plus account to £18 per month. This fee increase came into effect in December 2024. I understand that around the same time, Mr and Mrs N also had to purchase an upgrade with the travel insurer to cover Mr N, as he'd turned 70.

In the circumstances, I do understand why Mr and Mrs N were unhappy with the price increase (of the Flex Plus account) taking place in December 2024. Because for them it effectively came into effect during the policy year for the annual upgrades they'd paid for (and came into effect at the same time they had to decide whether to purchase the age upgrade). But I'm satisfied that the terms of the Flex Plus account do allow Nationwide to make changes to the features and/or cost of the account. And, as the packaged account operates on a rolling basis and upgrades can be purchased by account holders at any time from the insurer, I also understand that it would've been impossible for Nationwide to have timed the account fee increase so that it didn't coincide with any upgrades purchased by any of its Flex Plus account holders.

In terms of the options available to Mr and Mrs N, if they were unhappy with the Flex Plus price increase, they did have the option of downgrading the Flex Plus account (and not purchasing the age upgrade), so that they would no longer be paying a monthly fee for their account. And it seems that Nationwide gave Mr and Mrs N reasonable notice about the account fee increase.

Had they exercised this option, Nationwide explained that the insurer wouldn't have given them a pro-rata refund of the upgrade premium(s) they had paid. However, the decision of whether to provide a refund (whether proportional or at all) of additional premiums paid is a decision made by the insurer. Therefore, If Mr and Mrs N are unhappy with the insurer's approach to providing refunds, that is not something I would be able to consider against Nationwide and would need to be considered as a separate complaint against the insurer.

Nonetheless, when the upgrade expired in March 2025, I understand that Mr and Mrs N chose to keep the Flex Plus account and purchased a further upgrade – despite Nationwide explaining (in its response to their complaint) that they could downgrade their account if they were not happy with it. So even if I were to conclude that Nationwide had acted unfairly here, I can't see that Mr and Mrs N suffered a financial loss. Because when they were given an opportunity to end the travel insurance with Nationwide (and presumably seek cover

elsewhere) they chose to continue with the cover, despite the increased monthly fee for the account.

Finally, I note that after Mr and Mrs N raised their complaint, they say they received revised terms and conditions from Nationwide. They say, in those revised terms, Nationwide had emphasised that, if account holders have any concerns or complaints about the insurance benefits included with the account, they need to raise this with the product provider. Mrs N believes the above is a 'new statement', but I disagree. It has always been the case that if an account holder has an issue with the cover provided by an insurance product, then it is more often than not the case that the insurer is the business responsible for dealing with and addressing those concerns. As far as I'm aware, the revised terms that Mr and Mrs N have referred to was Nationwide simply emphasising what was already the case – presumably to reduce the number of complaints being received that should be raised with the relevant product providers.

As such, whilst I do recognise the unfortunate timing of the Flex Plus fee increase against the upgrades, I can't say that Nationwide has acted unfairly or unreasonable. Nationwide was entitled to make the decision to increase the monthly account fee, it gave reasonable notice to Mr and Mrs N, and it gave reasonable options to Mr and Mrs N if they were unhappy with the increase in the cost of the account. But if Mr and Mrs N are unhappy with the insurer's refund policy regarding the upgrade premiums they'd already paid for, then this would be something they'd need to take up with the insurer.

My final decision

Because of the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N and Mrs N to accept or reject my decision before 9 October 2025.

Thomas White
Ombudsman