

The complaint

Mr S has been helped throughout his complaint by his mother, but I will mainly refer to actions throughout as though these were all conducted by Mr S for ease of reading the decision.

Mr S is unhappy with Nationwide Building Society.

Mr S made a complaint, and the branch manager told staff he would deal with it. The official process wasn't followed and nothing happened. No reasonable adjustments were made despite Nationwide being well aware and continually informed of Mr S's personal specific needs. Mr S said he was given incorrect advice about his finances and what would be considered income.

Mr S had to continually chase Nationwide for answers as no action was forthcoming. Mr S wants compensation for stress, humiliation, and distress. Throughout he felt dismissed and unsupported. Mr S wasted time and money including taking a four hour journey to the branch. Mr S feels additional support should have been provided.

What happened

During the first visit to the branch there was an issue with codes being put into the system. So, despite the lengthy journey to get there Mr S and his mother hadn't been able to get anything sorted out and were heading home when Nationwide called them back as it did get the systems working. Mr S did then get to open an account. He opened a Flex Instant Saver 2 account.

Miss S was keen for Nationwide to explain to her son in a way he would easily understand details of how credit works and the banking system. But as it was by now getting late and the branch was closing there wasn't any time to get into this detail on the day. So, the branch manager said let the account open and all the details turn up, the manager's advice was to try and get Mr S a credit card account to, so that he could build a credit background, and to return to the branch and the manager would take Mr S through everything else when they returned.

After receiving the account details and card Mr S and Miss S went back to the branch again a week later. The branch manager was busy, but a staff member was there to help. They were taken into a side room, handed a tablet, and told to apply for a Nationwide credit card. This wasn't why they had come. They came for a discussion on how Mr S could build his credit history. It was Nationwide that suggested a credit card might help. Mr S wasn't given any support in filling in the application by the staff member and the application was declined.

Mr S left Nationwide very upset but found help just across the road in a different bank. He got different information about his income and what would be classed as earnings and felt he had been mis-led by Nationwide staff. Mr S wanted to raise a complaint. Branch staff said Mr S would be updated the following week.

There was no further contact from Nationwide from this point at the end of April 2024 until Mr S tried to make contact with Nationwide through the messaging service in mid July 2024. The staff member dealing with the messages said she was leaving for the day, so this didn't go any further. Mr S called to complain again and was told that no original complaint had been logged. At this point Nationwide requested a copy of the messaging service transcript, but it made no further contact with Mr S.

The following day the branch manager called Mr S and offered to get the original staff member who was to speak to him to give him a call about a credit card. Mr S said at this point he was offered £100 but didn't accept it as it felt like Nationwide was trying to sweep the errors under the table. The branch manager said the staff member would explain everything when she called. Mr S remained unhappy but agreed to the call.

Four days later the staff member called and said this was about a credit card application. Miss S joined the call and reminded her this had always been about how Mr S could learn about credit. Miss S said the branch member confirmed she had set up the complaint originally and it had been passed on to the branch manager who was going to deal with it.

A few days later Mr S got an email from a different staff member thanking him for getting in contact. Mr S had no idea who this was from. He responded to confirm he didn't know about this.

Mr S said he got an email dated 30 August 2024 from Nationwide stating in relation to his complaint it had done nothing wrong.

Nationwide said branch made an error and didn't log the complaint when it was first made. It said this was eventually picked up and the branch manager made contact in mid July.

Nationwide said staff members have no input when customers are completing applications. It said *"the consumer is expected to read and understand the terms and conditions of the account. They can discuss the terms and should anything be unclear the agent would try to explain this as clear as possible but would have no input on upselling a product, or giving financial advice or guidance regarding the product, just an explanation."*

Nationwide said it originally paid £125 in compensation for the poor service it provided. It then offered a further £125 after reviewing the details when the complaint came to this service. It said the total of £250 was fair and reasonable based on what happened.

Mr S remained unhappy and brought his complaint to this service.

Our investigator agreed with the further offer from Nationwide. She felt that the total of £250 now offered was fair. She said it wasn't for this service to decide what a reasonable adjustment might be. She said Mr S needed guidance in person and the staff member who called him took steps to carefully explain the credit card application process and answered any questions.

Regarding the in branch application our investigator said Nationwide said it provided a simulation of how the application would have looked and the information that would have been available at the time. It said eligibility and affordability formed the reasons why both times the application was declined. She accepted this was upsetting for Mr S but noted Nationwide had evidenced the declined applications were both in line with internal procedures. She said as only soft checks had been done this wouldn't impact Mr S's credit file. Our investigator said clearer information could have been provided but said Nationwide hadn't done anything wrong.

Our investigator felt Nationwide accepted more guidance and advice could have been provided. But accepted it can't give support to customers making financial decisions. She noted Mr S was looking for specific information on how he could build his credit but didn't think Nationwide had done anything wrong. She felt when the adviser spoke with Mr S on the phone she went into reasonable detail and answered questions about the impacts of overdrafts.

Regarding the customer service she said despite the distance between the branch and where Mr S lives she understood why with his conditions it worked for him to visit a branch he had a connection with for many years. She noted appointments couldn't be booked in advance. She noted Mr S was unhappy with the Nationwide comments around his employment situation.

Our investigator concluded regarding the complaint handling this wasn't something she could deal with as it isn't a regulated activity and falls outside the rules of this service.

She felt the £250 compensation in total was a reasonable total offer in the circumstances of this complaint.

In my recent provisional decision, I said:

"Mr S and his mother were clear throughout that Nationwide was fully aware of his conditions. They didn't feel any reasonable adjustments were made at all. They also didn't think any attempt had been made to communicate with the clarity he needed to understand everything.

Miss S felt as his efforts to complain had been ignored he was being denied "a voice."

She said the impact had been substantial and Mr S was left throughout with confusion and in distress. She said there was a loss of trust with the bank. And that Mr S now had ongoing anxiety about credit and finance at the point when he now most needed it for his personal independence. Miss S concluded that this was only worse for her son due to his conditions – he was made to feel invisible.

Miss S accepted that this service wouldn't rule based on the Equality Act. But she said Nationwide failed to support a vulnerable customer who required additional support. Aside from the lack of adjustments and the mishandling of the complaint she felt there was huge additional stress brought about by the credit card application that neither of them originally wanted to take out in the first place.

I think Mr S makes a fair point. From the correspondence and evidence I've seen and read they were never particularly keen on the credit card option. It appears to me that they went along with it as it had been mentioned by Nationwide staff as a good option for "building credit."

But in reality Mr S's wishes were far more basic than that. He was looking for understanding around the banking system and how with his conditions Nationwide could help him navigate it. And I don't think he or his mother deviated from that point all along. I do understand why they feel Mr S was ignored.

It seems to me Nationwide didn't really pick up on the request that Mr S made from the outset. Instead, it seemed to carry on down a path the customer wasn't really interested in and managed to do that twice with the application process despite the first time Mr S being turned down.

I've no reason to doubt what Miss S said about the way her son was left to get on with the in branch application. I tend to agree with her point that here Nationwide knew it was dealing with a vulnerable customer but in regard to his in branch application – it left him to it.

Nationwide hasn't provided me with details that show me how it worked through a series of options it offered to Mr S to help him with his original enquiry or the credit card application particularly. It has responded about how it can't give financial advice and that I accept. But Mr S wasn't looking for financial advice per se he was looking for guidance and understanding on how the whole process works. On that point I can't say that Nationwide should have walked him through the UK banking system – but what I gather from the evidence (certainly in branch) is that it didn't offer him anything helpful. I don't think that's fair and reasonable.

If Nationwide couldn't or didn't want to explain how building a credit history worked to Mr S, then it should have said so – from the start. I don't think it did. I don't think that's fair or reasonable.

When it came to eventually get the phone call arranged and carried out, I do think that in the main the staff member acted fairly and reasonably. I still think she missed or ignored some of the points made by both Mr S and Miss S about what he really wanted details of. But overall, I think she tried to handle the call in a way that would work for Mr S. I'm not sure why this was again mainly about a credit card Mr S wasn't really keen on having. But in relation to the card itself and the application she was clear. The fact it ended with him being declined for a second time rather rams this point home. So, although I think the staff member did a pretty good job overall Nationwide was still not really dealing with what Mr S wanted.

It isn't down to Nationwide that Mr S felt comfortable going to a branch many miles from his home. But I still think in its handling of him and his situation it should have done better. I don't doubt he feels the customer service he received was very poor.

Compensation depends on the impact on a customer. I think here there was an onus on Nationwide to respond as requested to the requirements of a vulnerable customer. I don't think it did that.

I've also no reason to doubt Mr S being told that the credit card application would go through. I balance that against being told it would help his credit file. I accept he may not have really wanted the card, but it seems he was taking the advice he received from the branch manager and staff. Nationwide said it was likely too much time had passed to get a clear statement from branch colleagues when the complaint came to this service.

Nationwide said, "more could have potentially been done to understand the crux of the complaint." But it went on to say without elaboration on what Mr S and his mother weren't happy with it couldn't take further action. I don't accept that. I think the calls and notes from Mr S are clear.

Nationwide said in relation to the credit card application "it would be the consumers choice if they wish to proceed with a full application on the basis, it is likely we would decline it based on our judgements." I don't accept that. There's nothing to suggest Mr S was after the credit card when he went to open an account. The impression given is this was a Nationwide branch manager and staff idea. Further, to suggest knowing how difficult such situations are for Mr S that he and his mother decided to go through it again after he was first declined – I think that's unlikely.

Also Nationwide said on the one hand staff wouldn't know if an application would be turned down but is here in print also saying based on its judgements about "account performance"

and Mr S noted as “affordability low” that it would be likely to decline him – I don’t think that adds up. If Nationwide did think he would be turned down on the first application and even more so on the second attempt, then I’d expect to hear a warning or at least a note of caution from the adviser on the second application attempt call. I don’t think there was one. It seems to me there was just another attempt to do the credit card application.

It’s not clear what happened regarding the initial complaint and why Mr S was under the impression no action took place. Nationwide said “I believe branch made an error and didn’t log the complaint at the time of the complaint. This was then picked up and the branch manager contacted them on 12/7/24.”

This is not the same as what the staff member on the call told Mr S. She said the original complaint had been set up, by her and handed it over to the branch manager. So again, something is clearly wrong with the actions of the Nationwide branch. I find it very difficult to understand how Nationwide can maintain on all the issues here that either it didn’t do anything wrong, or it didn’t know the full details. And Nationwide is ignoring the reason why the branch called Mr S on 12 July 2024 was because he had raised a new and further complaint, otherwise nothing more would have happened.

Mr S felt his original complaint was “blocked.” And for some reason the correct process for logging complaints wasn’t followed. The details suggest he has a point. Unfortunately, this service can’t deal with the complaint handling.

I’m not sure if Nationwide accepts it was aware throughout of Mr S’s particular reasonable adjustment requirements. But it looks clear it was given these details from the start of this situation. And it hadn’t made any representations of any actions it took to help deal with these.

There’s been debate over the quality and accuracy of the information provided to Mr S, specifically around his income. And he has felt throughout he had to repeatedly chase Nationwide for any action to occur.

So, I accept the impact on Mr S here has been to more of an extent than Nationwide appear to realise. I don’t think the £250 it offered is enough in the circumstances of this complaint. I think it should increase the award to a total of £400.

I’m not clear if the second £125 offer has already been paid but either way Nationwide should ensure Mr S receives £400 in total for his complaint issues.”

Responses to my provisional decision

Nationwide responded to accept the provisional decision.

It confirmed £125 had already been paid to Mr S and this would be deducted from the total payment.

Mr S responded confirming he wants the final decision to be accurate and reflect the evidence considered, the reasoning applied, and suitable consideration given to the impact on a vulnerable customer.

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 think there was a lack of consideration of Mr S's individual needs by Nationwide. But it has now accepted the increased compensation amount.

Based on the responses to my provisional decision there was no further evidence to change it. Therefore, my provisional decision will become my final decision.

Putting things right

Pay a total award of £400 as compensation minus any amounts already paid.

My final decision

I uphold this complaint.

I require Nationwide to:

- Pay a total award of £400 as compensation minus any amounts already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 19 January 2026.

John Quinlan
Ombudsman