

The complaint

Mr B complains that Nationwide Building Society didn't pay him a £200 switching incentive.

What happened

Nationwide wrote to Mr B with an offer of £200 for switching his account. Mr B switched his account but was told he hadn't qualified for the offer on the basis that he hadn't fully met the criteria. To be eligible for the payment, a customer needed to transfer at least two direct debits and Nationwide said this hadn't been done. Whilst Mr B thought he *had* moved two direct debits as part of the switch, it transpired that one was a recurring payment for a subscription service and so it didn't qualify.

Mr B complained to Nationwide. He didn't think this limitation had been made clear, and didn't think it was fair for Nationwide to exclude the payment from its offer, particularly, he said, as other banks and building societies accepted it as a direct debit.

Nationwide didn't think it had done anything wrong. In its response, Nationwide highlighted the terms and conditions of the offer. It pointed to the section which explained other automatic payments such as standing orders and recurring card payments didn't count. It added it didn't think it was feasible to list every possible payment that would be classed as a recurring payment.

Dissatisfied with Nationwide's response, Mr B brought his complaint to our service. Our Investigator looked into things but didn't uphold the complaint. He didn't think there was anything wrong with Nationwide excluding recurring card payments from its offer. He found the term to be clear and accessible to Mr B at the point he applied to switch. The Investigator also considered whether Nationwide should have allowed Mr B to provide a direct debit not previously presented to make up for the recurring card payment. However, he didn't think there was an obligation on Nationwide to do so.

Mr B didn't accept the Investigator's view. He highlighted the prevalence of subscription services, pointing to a response from an AI tool which found the majority of people in the UK didn't realise that the payment for his particular subscription service wasn't taken by direct debit. Regarding the terms, Mr B also asked how the Investigator could know what correspondence he had received as he had never shared it with our service.

In response, the Investigator highlighted that Mr B would have needed to confirm he'd read the terms in order to carry out the switch. However, Mr B maintained that Nationwide hadn't been clear enough and that it should have explained that subscription services are different from direct debits.

As no agreement could be reached, the case was passed to me to decide. Upon review of the case, I felt it appropriate to include reasoning which hadn't been contained within the Investigator's view. Because of this, I issued a provisional decision. It said:

'I would first like to explain that my role here is to think about the individual circumstances of this complaint and decide whether Nationwide did something wrong which caused Mr B to

lose out. If I think it did, I can then consider what – if anything – Nationwide should do to set matters right. In reaching my conclusions, I've taken an independent view of the circumstances, and have considered relevant rules and regulations as well as what I consider to be good industry practice. However, I am ultimately deciding this case on what I believe to be fairest to both parties, in all the circumstances of this complaint. And while I can understand why Mr B believes Nationwide should have done more for him, I'm not minded to say it got things wrong. I'll explain why.

Nationwide must be clear about the terms of its offer and, having looked at its switching agreement, I think it has been. The terms of the agreement explain that, in order to qualify for the £200 incentive, at least two direct debits must be transferred as part of the switch. It goes on to explain that other automatic payments, such as standing orders and recurring card payments, don't count. I think this clearly sets out what is, and isn't, acceptable when qualifying for the incentive payment. Further, I'm minded to say that by highlighting a difference between direct debits and recurring card payments, Nationwide is putting customers on notice that they may need to check the payment types they plan to switch if they intend to benefit from the switching incentive.

Mr B has indicated he didn't see the terms of the offer, only the offer itself. I'm mindful that a link to the switching agreement, containing the terms of the switch, was presented at various stages, including in the offer he was sent. Nationwide has also shown that the terms would have been presented as a link during the switching application, with Mr B being required to tick a box to say he agreed with them. Because of this, I can't fairly say Mr B didn't have an opportunity to read the terms.

Mr B has made the argument that the majority of people in the UK don't realise certain subscription services are paid for by recurring card payment. The implication here being that he himself didn't realise the payment in question wasn't a direct debit. And so, Mr B has indicated Nationwide should have made it clear that payments for subscription services, such as his, aren't typically taken by direct debit. Nationwide has told Mr B it wouldn't be feasible for it to list every single possible payment that would be classed as a recurring payment, and I'm inclined to agree. With that said, Nationwide has provided a screenshot of what it says Mr B would have seen when checking his eligibility for the switching incentive. This includes wording which lists popular subscription services, including the one used by Mr B. The wording covers the likelihood that this particular service is paid for by recurring payment, rather than direct debit.

Mr B has questioned the authenticity of this evidence, but I see no reason to doubt it. I generally accept evidence from both parties in good faith, unless I'm given a reason which persuades me not to. Much in the same way that I have accepted Mr B's testimony that he didn't see the terms, I have accepted that the screenshots provided by Nationwide are genuine and from around the time Mr B applied for the switch.

That aside, whilst I think Nationwide was trying to be helpful in highlighting which payments were likely to be recurring payments and which were likely to be direct debits, I'm not minded to say it was required to do this in its terms – or elsewhere. My view here is that Nationwide had no involvement in Mr B's agreement with his subscription service, and wasn't responsible for Mr B's understanding of that agreement, including how the method of payment differed from a direct debit. Further, whilst I note Mr B's comments around other firms treating recurring card payments as direct debits, it remains that the payment in question isn't a direct debit, and so I wouldn't have expected Nationwide to treat it as such.

It's unfortunate that Mr B didn't realise his subscription service wasn't paid for by direct debit, but I haven't so far identified that this was as a result of a failing from Nationwide. I'm minded to say that in clearly setting out its exact requirement of at least two direct debits, Nationwide

presented Mr B with the information I would have expected it to. And so, while I recognise Mr B will be disappointed with this answer, I don't currently consider it fair in the circumstances to direct Nationwide to do anything in relation to this case, including to direct it to allow Mr B to choose a direct debit to replace the recurring card payment.'

Nationwide agreed with the findings in my provisional decision, but Mr B did not. He felt the information in Nationwide's promotion hadn't been clear enough. He again questioned the authenticity of Nationwide's evidence, highlighting his belief that validation in this regard was of critical importance to his case.

I asked Nationwide to send confirmation of what Mr B would have seen at the time he applied for the switch, as well as any data to show whether Mr B interacted with the eligibility checker or opened the terms and conditions document. Mr B was sent evidence provided by Nationwide to consider and respond on.

Nationwide said it didn't have the ability to show Mr B interacted with specific webpages, but sent a screenshot using the 'wayback machine' website facility to show the eligibility checker was in place when Mr B applied for his switch. It also explained Mr B would not have been able to proceed with the application unless he ticked the box to confirm he agreed to the terms and conditions.

Mr B responded, again stating his belief that the terms, marketing and customer journey weren't sufficiently clear about the difference between a direct debit and a recurring payment, and that this led to foreseeable harm. He provided data around the general public's level of understanding of direct debits compared to recurring payments, again stating the majority of people believed the payment method for his subscription service was direct debit, not recurring payment. He believed this meant Nationwide needed to have done more to provide communication in a 'fair, clear and not misleading' way, in line with regulations. He said he'd switched from another bank 12 months ago and that bank had accepted the payment in question as a direct debit.

Mr B mentioned the Consumer Duty regulation, citing the obligation on financial businesses to deliver good outcomes for retail customers, with Mr B asserting Nationwide had failed to deliver the 'Consumer Understanding' outcome. He also pointed to marketing regulations which said significant conditions must be included in the marketing itself. He said Nationwide's offer email failed to define 'direct debit' in a way that would exclude common subscription services.

He highlighted that Nationwide had been unable to provide evidence of him viewing any of the pages it sent examples of, or of him accepting the specific terms.

Having received Mr B's further submission, I now have everything I need to proceed with my 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, while I'm aware this news will be disappointing for Mr B, I see no reason to depart from the outcome of my provisional decision and so I won't be upholding this complaint.

Before I provide the reasoning for my decision, I wanted to mention that I've carefully read all of the correspondence Mr B has sent this service. That being said, my decision may not

address every point or comment raised, and I mean no discourtesy by this; it simply reflects the fact our service is an informal dispute resolution service, set up as a free alternative to the courts. So, in deciding this complaint I've focused on what I consider to be the heart of the matter, rather than considering every issue in turn.

As explained in my provisional decision, I don't consider it Nationwide's responsibility to have told Mr B what payments he had on his incoming account, or the differences between those payments – though I do expect it to be clear about the terms of an incentive or offer. In this case, I think Nationwide's offer was clear in that it required two direct debits – a form of payment which is distinct from a standing order, faster payment or recurring card payment. I don't consider there to be ambiguity here. Nor do I consider this to omit a significant condition; indeed, Nationwide listed the precise type of payment it required.

The Consumer Duty says firms must act to deliver good outcomes for retail customers. But this doesn't mean customers will always *get* good outcomes. Nationwide had to give Mr B the information he needed, at the right time, and presented in a way he could understand. I think Nationwide met this requirement. I say this particularly as the terms and conditions of the incentive differentiate between direct debits and recurring card payments. I have no reason to doubt the terms would have been available for Mr B's review, particularly as (in addition to other occasions during the process) the offer he confirms he received contains a link to them. And, as the terms provided by Nationwide were, more likely than not, readily available and easily accessible, I think it's reasonable for it to have expected Mr B to have read them.

In summary, this complaint centres around Mr B having not qualified for a switching incentive. This was because Nationwide required at least two direct debits to be switched in order to meet the criteria for the incentive, but Mr B switched only one. What he believed to be a second direct debit was a recurring payment. He feels this was the fault of Nationwide, but, for the reasons covered in my decision, I don't agree. I consider Nationwide to have acted fairly in the matters covered in my decision, and won't be directing it to do anything for Mr B. And so, while I recognise Mr B will be disappointed with this outcome, my decision now completes our consideration of his complaint.

My final decision

My final decision is 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 4 February 2026.

James Akehurst
Ombudsman