

The complaint

Mr K complains that Nationwide Building Society didn't accept a bill of exchange in settlement of his mortgage. He asks that it either uses the bill of exchange to settle the account or returns it to him.

What happened

Mr K took out a mortgage with Nationwide in 2017. Mr K sent a bill of exchange to Nationwide in mid-2025, asking it to use it to settle the mortgage. He said if Nationwide didn't return the bill of exchange it would be deemed to have accepted it as a matter of law.

Nationwide said the bill of exchange is not consistent with the terms of the mortgage and not an acceptable form of payment. It said it was under no legal obligation to return it, and can't now locate it. Nationwide said Mr K can repay the mortgage online or by cheque.

Mr K says Nationwide is wrong to say the bill of exchange isn't legal tender. He doesn't believe that Nationwide can't return the bill of exchange.

Our investigator said Nationwide didn't have to accept the bill of exchange from Mr K. He said as Nationwide said it no longer has the bill of exchange, it can't return it to Mr K.

Mr K didn't agree and asked that an ombudsman re-consider the matter.

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.

This service is not a court. I'm not going to make any findings as to whether the document Mr K sent to Nationwide was legal tender, or had any legal standing. I'll refer to it as a bill of exchange in this decision, as that's the term used by Mr K.

We offer an informal dispute resolution service. While we take relevant law, regulation and good industry practice into account, we make decisions based on what's fair and reasonable in the circumstances.

When Nationwide agreed to lend to Mr K it did this on the basis it would have a charge (the mortgage) on his property. That means it can, ultimately, recover the debt through the sale of the property. It agreed terms with Mr K, such as the interest rate and how the mortgage would be repaid. The rights and responsibilities of the parties to the mortgage are governed by the mortgage terms and conditions and rules on mortgage regulation. Mr K was, in effect, asking Nationwide to swap this for a bill of exchange.

I don't think it's fair and reasonable to require Nationwide to accept the bill of exchange it received from Mr K in settlement of his mortgage. It told Mr K this was not an acceptable form of payment. There are other ways that Mr K can repay his mortgage, such as an online payment or cheque. Nationwide's website explains how to repay a mortgage, or Mr K can contact Nationwide

Nationwide says it can't return the bill of exchange because it can't locate it. Mr K doesn't believe this. But I have no evidence that Nationwide isn't being honest about this, and its records support what it says. In the circumstances, I don't think it's fair and reasonable to require Nationwide to return the bill of exchange to Mr K.

Mr K told us he doesn't have any costs other than the cost of postage. It was Mr K's choice to post the bill of exchange to Nationwide without first establishing if this was an acceptable way to settle the mortgage. I don't think it's fair and reasonable to require Nationwide to compensate Mr K for the cost of postage or for it not returning the bill of exchange.

I don't think it's fair and reasonable in the circumstances to require Nationwide to take further steps regarding this complaint.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 30 December 2025.

Ruth Stevenson
Ombudsman