

The complaint

Ms M complains that Nationwide charged her interest when her balance was zero

What happened

Ms M holds a credit card with Nationwide. When Ms M received her June 2025 statement it showed a balance of £1752.94. Ms M paid the balance in full, but when she received her July 2025 statement, she noticed that interest of £36.21 had been charged.

Ms M visited her local branch to query the interest charge but was advised by staff to write to Nationwide. Ms M wrote a letter asking why she had been charged interest and received a letter back advising her that the bank had been unable to identify her and asking her to verify her signature.

When Ms M received her August 2025 statement, she noticed that the interest had been refunded. She raised a complaint with Nationwide.

Nationwide issued a final response on 3 September 2025. It said the interest charge was correct because the full statement balance hadn't been cleared by the due date. Nationwide explained that its branches didn't deal with credit card queries and confirmed that when Ms M called the credit card department the interest had been refunded as a gesture of goodwill, which was why it was showing as a refund on the August 2025 statement. Nationwide said that because the credit card had been opened online, the credit card department didn't hold a signature for her, which is why it had requested that Ms M sign the letter it had sent to her dated 8 August 2025.

Ms M wasn't happy with the response and brought her complaint to this service. She says that this is the second time that Nationwide has made the same mistake with her credit card, charging interest on a zero balance, refunding her account so that there was a credit balance and taking a long time to send the money to her current account, being unable to identify her signature and claiming that they have done nothing wrong. Ms M doesn't think the fact that she opened her credit card account online is a valid reason for not being able to identify her signature, because the credit card is linked to her current account and she produced her passport and signed many documents when she opened her current account. Ms M wants compensation for the stress and inconvenience caused.

Our investigator didn't uphold the complaint. They said that Ms M had made a payment to clear the June 2025 statement balance on 18 July 2025, which was 3 days after the payment due date of 15 July 2025. The investigator said the terms and conditions of the account stated that interest would be applied where the statement balance wasn't paid in full by the due date and that accordingly Nationwide hadn't made an error or acted unfairly by charging interest. The investigator said that Nationwide had refunded the interest as a gesture of goodwill, not because the interest should never have been charged. In relation to the customer service issues the investigator said it wasn't unreasonable for Nationwide to require identity verification before releasing funds and that although there were some delays in the overall communication and handling of the matter, this wasn't significant enough to warrant compensation.

Ms M didn't agree so I've been asked to review the complaint.

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 know it will disappoint Ms M, but I agree with the investigator's opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on those points which are most relevant to my decision. The rules of this service allow me to do this. If I don't comment on a specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Interest Charge

I've reviewed the history of the account. Ms M's June 2025 statement showed that a balance of £1,752.94 was due by 15 July 2025. The records show that Ms M's payment was received by Nationwide on 18 July 2025, which was three days after the payment due date.

The terms and conditions of the account state that interest will be charged if the balance isn't paid in full by the due date. Ms M agreed to these terms and conditions when she took out the card.

Based on what I've seen, Ms M's payment was made late. I'm satisfied that the interest was charged in line with the terms and conditions. I'm unable to say that Nationwide has made an error or treated Ms M unfairly.

Refund of interest

I can see that Nationwide refunded the interest charged on 24 July 2025. I appreciate that Ms M believes that the interest was refunded because Nationwide made an error by charging it in the first place, but I've explained above why I don't think there was an error and I'm satisfied that Nationwide made it clear to Ms M that the refund was a goodwill gesture.

Customer Service in branch

Ms M went into her local branch for assistance when she first noticed the interest charge. She's unhappy that the staff appeared uninterested and unwilling to help her. Nationwide has explained that the staff in its branches aren't able to assist with credit card queries, which is why Ms M was advised to contact Nationwide's credit card department directory. I appreciate that this must've been frustrating for Ms M but I can see that once she contacted the credit card team they were able to assist her.

Signature verification

Ms M has said that she doesn't think it was necessary for Nationwide to require verification of her signature because she's already provided it for her current account. I understand that being asked to provide a signature might have caused Ms M some inconvenience, however, Nationwide has explained that signature verification is part of its security process where it doesn't already hold a signature on file for the account. In this case, Nationwide didn't hold a signature on file for Ms M's credit card account because she had opened the account online.

I don't think it was unreasonable for Nationwide to request signature verification. I'm satisfied that this request was made in accordance with Nationwide's security procedures. I appreciate that Ms M doesn't agree with the procedure, however, this service isn't able to require a business to change its procedures and processes.

Delays

I agree with the investigator that there were some delays in the overall handling of the matter by Nationwide. I can see that Ms M first complained about the interest charge in July 2025 and didn't receive a refund to her current account until September 2025. The credit card had been refunded in August 2025. In my opinion, some of the delay was due to the requirement for signature verification (which, as I've said above, I think was a reasonable requirement). But some of the delay was due to Nationwide not keeping Ms M informed about what was happening and why she was required to provide her signature. I do understand that this has been a frustrating experience for Ms M, but on balance I'm not persuaded that the delay reaches the threshold at which compensation should be awarded.

Taking everything into account, I haven't seen any evidence to persuade me that Nationwide made an error when it charged interest. I think the decision to refund the interest as a gesture of goodwill was fair and reasonable in the circumstances. I'm satisfied that the request for Ms M's signature was made in line with the bank's security procedures and although there was some delay, this wasn't all due to Nationwide and the delay doesn't warrant compensation.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 10 April 2026.

Emma Davy
Ombudsman