

The complaint

Mr W complains about the way Nationwide Building Society ('Nationwide' or the 'bank') has dealt with his claim for a refund.

What happened

In August and September 2023, Mr W raised a claim under the Consumer Credit Act 1974 ('CCA') against Nationwide related to work he had carried out on his classic car (the 'car') by a garage I'll refer to as 'T' which was paid for using his Nationwide credit card. The car was presented to T on two occasions for repairs in February and March 2023 respectively. The first invoice related to a service and diagnostic tests due to the car having running issues. The second invoice was for the repair of the temperature gauge (the 'gauge'). Mr W raised a dispute with Nationwide claiming £1,360.25 for both invoices as well as for a collection fee of £240 paid to a third party agent in relation to the second visit. Mr W made a number of points including that T didn't carry out some of the work he'd been charged for.

When Mr W made his claim to Nationwide it made an error by not reviewing the claim until January 2024 – it paid Mr W £250 for this mistake. Once it was reviewed, in respect of the second invoice, Nationwide made an offer in full and final settlement for the repair of a gauge under the second invoice. On 8 March 2024, Mr W signed a full and final settlement agreement accepting Nationwide's offer of £252.60. In terms of the first invoice which remains disputed, Nationwide initially offered Mr W £135 for checks carried out by T. Mr W disagreed with this offer. Subsequently, Nationwide made Mr W an offer of £661.50 which included the £252.60 already accepted by – and paid to – Mr W for the second invoice. The remainder of the offer related to the first invoice consisting of £177.90 for a fuel pump charge; £96 for a coolant charge; and £135 for a charge related to checks undertaken by T. Nationwide also agreed to reimburse Mr W £12.35 interest as a goodwill gesture.

Whilst the complaint was with our Service other issues were raised by Mr W. In terms of Mr W's claim which Nationwide reviewed under section 75 of the CCA ('section 75'), Nationwide agreed to take into account the findings of an expert report (the 'report' or 'expert report') arranged by Mr W. But Nationwide said the findings of this report didn't fundamentally change what it had previously offered. Nonetheless, Nationwide agreed to pay for the costs of the report and offered refunds in line with the report findings. Mr W also made a complaint about the way Nationwide handled a Subject Access Request ('SAR'). Nationwide accepted it had made a mistake as it hadn't included certain documents which have now been provided. For this error, it offered Mr W £150 in compensation.

Our investigators who looked at this matter thought the offers made by Nationwide were fair and reasonable. Mr W disagreed. I issued a provisional decision, upholding this complaint and setting out how I thought Nationwide should put things right. Mr W disagreed and the matter has been passed back to me to finalise.

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.

Although a number of issues have been raised, this decision only addresses those issues I consider to be materially relevant to this complaint. This isn't meant as a discourtesy to either party – it simply reflects the informal nature of our Service. I want to start by saying that I can see how strongly Mr W feels about this issue. And I sympathise with what he says about the impact this matter has had on his health. I'm, of course, sorry to hear this is the case. I want to reassure Mr W I've fully reconsidered everything before reaching this decision.

In response to my provisional decision, Mr W made several points including that he is having to take measures to maintain his car after the damage caused to it by T. He says there is potential cost issues of being unable to run the car. Mr W says it is a requirement to replace the fuel pump and T didn't do so, which has resulted in damage to the car. Mr W maintains that T has compromised the service history and devalued the car. He says he wasn't asked for a valuation by our Service, and he should be given an opportunity to do so. In any event, the expert report he submitted clearly shows the value of his car has been compromised by T's actions. He says T has acted fraudulently and Nationwide should've done more about this. He considers the expert report has been totally ignored by our Service. Mr W maintains the damage caused to his car was due to T's incompetence and failure to do the jobs it said it had done (or should've done). Whilst I've fully reconsidered Mr W's complaint, taking into account his further comments and evidence, my decision remains the same as that set out in my provisional decision for the reasons that follow.

The claim

It isn't clear if Nationwide attempted a chargeback here – but considering the nature of the claim (involving allegations of misrepresentation and breach of contract along with claims for consequential losses), I think section 75 wasn't an unreasonable route for it to have focused on. Further, as our investigator has said, it's likely that Mr W's claim – which was made around five months after the repairs by T were carried out – was likely to have been brought too late for a chargeback to be raised. Ultimately, I don't consider a chargeback was as well suited to this claim and wouldn't likely have produced a more favourable result for Mr W.

Section 75 of the CCA allows consumers who have purchased goods or services using a credit card, to claim against their card issuer in respect of any breach of contract or misrepresentation by the supplier of the goods or services, subject to certain technical conditions being met. I'm satisfied these technical conditions have been met in this case. In terms of the section 75 claim itself and how Nationwide handled it, in reaching my decision, I've taken into account relevant law including the Consumer Rights Act 2015 (reasonable care and skill, satisfactory quality etc). However, my role isn't to decide whether there has, in fact, been a breach of contract. Only a court can decide this. What I'm considering here is whether Nationwide handled Mr W's claim for a refund fairly and reasonably in light of its joint liability with T taking into account all relevant law, regulations and best practice.

I note Mr W accepted Nationwide's offer in relation to the second invoice in full and final settlement. This related to the repair of the gauge. Mr W has been fully refunded in line with the settlement agreement so I'm not going to consider this further here. In terms of the first invoice, prior to the expert report which is still disputed, by the time Mr W referred his complaint to our Service, Nationwide had offered to pay him for the checks he had carried out by T (£135). And later agreed to pay for charges related to the repair of the fuel pump (£177.90) and the coolant charge (£96). T also agreed to refund Mr W for the coolant but told Nationwide it couldn't arrange a refund to Mr W's credit card without him being present so Nationwide agreed to refund for this item as T had accepted this hadn't been done and had been an invoicing error.

Following this offer, and since coming to our Service, Mr W has obtained a report carried out by an expert ('expert'). Nationwide agreed to take this report into account as part of Mr W's section 75

claim and has agreed that it can form part of this complaint. Nationwide changed its offer slightly in line with the report findings. The new offer was for the fuel pump charge (£177.90); spark plug (helicoil) repairs (£90); the coolant charge (£96); and the cost of the report (£748.40). Mr W is unhappy with Nationwide's offers mainly because he said it doesn't sufficiently compensate him for the losses he says T has caused. However, from everything I've seen I'm satisfied Nationwide's offer and the way its handled Mr W's claim is fair and reasonable. I'll explain why.

In terms of Nationwide requesting Mr W to obtain an independent report before it would agree to change its offer, I think it was being fair and reasonable here. Nationwide isn't an expert in classic car repairs, and this is why it requested an expert to review things. I can see it did agree to cover the cost but only if breach of contract had been proven. And since the report has been issued, Nationwide has included the cost of the report in its offer. I know Mr W says he was never reluctant to obtain a report but even if I were to accept that was the case, he only provided one to Nationwide in December 2024 which was some time after it was requested.

I note following the report, Nationwide no longer offered to pay for the checks carried out by T costing £135 but I don't think this is unfair or unreasonable. I say this because from what I can tell, T has provided persuasive evidence that certain checks had been done particularly in regard to the gauge (see further below). And the expert did indicate, at the very least, that diagnostic testing had happened (see below regarding the petrol usage). On balance, I don't think Nationwide is acting unfairly here as I think it appears from all the evidence that checks, were in fact, done as part of the servicing and testing of Mr W's car by T.

In terms of the coolant, I understand that T accepted this hadn't been carried out and offered to refund the charge of £67.50 (with VAT this would've been £81). Nationwide has offered a higher figure of £96. Given this is higher than what Mr W was actually charged, I think this is a fair offer. I understand why Mr W was upset about being charged for something that wasn't done but ultimately, I think a refund of this particular charge sufficiently compensates him. I note the expert said that due to the coolant not being replaced this may have caused damage to the engine costing potentially 'thousands of pounds'. But the expert didn't say actual damage had been caused. So, I can't say that Nationwide's offer, which was already offered to Mr W prior to the expert report, is unfair or unreasonable.

In respect of the fuel pump charge of £177.90, from what I can see the expert didn't add anything substantially new to this issue. In short, the expert said that T had agreed to not charge for these repairs because it had previously fitted a fuel pump that had failed within a warranty period – this is something T denies. The expert goes on to say that T's replacement fuel pump may be faulty and may need a replacement. So, Nationwide has agreed to refund the cost of the replacement which I think is fair. I know Mr W has said that T should pay for the previous repair, but as I said, T said it wasn't responsible for that. And I'm satisfied the offer Nationwide has made is fair under all the circumstances.

The expert report referred to an issue with the (temperature) gauge, but this formed part of the settlement relating to the second invoice which, as noted above, doesn't form part of this complaint. However, the expert says T should've repaired it when Mr W first took the car in as this is what was agreed with Mr W. But T said it carried out various tests and it didn't think, at the time of the first visit, there were any issues with the gauge. In support of this T described in detail what tests it carried out saying, amongst other things, that: *"You [Mr W] notified us that the gauge wasn't working 6 weeks after the car had been collected from the service, which you were happy with at the time and instructed us to look into the gauge potentially reading high. We performed a full check on the vehicle, testing both the sender and gauge with a multimeter for resistance and also counter checking the temperature in the engine bay at various points on both banks with a laser gauge to make sure the dash reads correctly, which it did. Thus, our technicians were satisfied that the gauge read as intended and that no parts*

were necessary...You drove the car home and we hadn't heard from you in over five months, when we received a call demanding a full refund...".

T concluded that the issue with the gauge must've been intermittent as it operated as expected when tested. T noted Mr W's classic car was almost 50 years old and it wouldn't, in its view, be unusual for parts to have this type of 'intermittent' problem. All in all, I don't think there's sufficient evidence to show that T didn't carry out the relevant checks and/or should've completed a repair during the first visit. And given T didn't charge Mr W for a gauge fix following the first visit – which isn't disputed by either party – I can't reasonably or fairly say Nationwide has to refund Mr W for this issue. It follows that whilst I understand Mr W wants a refund of £240, which was a collection fee he paid to a third party to take the car back to T in order for repairs to be done to the gauge, I don't think Nationwide is acting unfairly for not offering to cover this cost.

The main new issue the report seemed to address was about the helicoil which the expert said was the most serious problem. This relates to the part of the invoice which says: *"Repair rear O/S spark plug thread due to previous cross threaded plug"*. T said it had installed a helicoil and the repair cost was £90. The expert said there were some doubts as to whether this work was actually carried out by T. This was for a number of reasons. Even if I accept this part of the invoice was not correct, I can see that Nationwide has offered to cover the charge that was made. Mr W says the offer isn't enough because this particular issue along with T not carrying out the coolant change, may have devalued his car as it wouldn't now have an accurate service history. After reviewing the expert's report I can see Nationwide told Mr W that: *"...the issues surrounding the proper installation of the helicoil insert are not elaborated on enough to determine how or if there has been any consequential loss arising from this."*

Nationwide did agree with the expert's recommendation to reimburse Mr W for the helicoil work due to it not being properly installed. I think Nationwide has acted fairly and reasonably here. Whilst the expert said the value of the car may have been impacted by this issue, they didn't go on to say (for example) by how much or make any recommendation as to compensation for this type of loss. So, the point I was making in my provisional decision wasn't that Mr W should obtain a valuation but rather Nationwide's conclusion that the report wasn't persuasive about there being a case to pay for this type of consequential loss wasn't unfair or unreasonable. The expert's recommendation was that Nationwide should compensate Mr W for the work that may not have been carried out. As Nationwide has agreed to do so, I think it's acted fairly and reasonably here.

Mr W says that if Nationwide had told him sooner about what T had said about the helicoil (i.e. that it had been installed/repaired) he could've challenged this. But I think even if Nationwide had told Mr W about this issue sooner, it still would've required an independent report as it simply would've been Mr W's word against T's. As I've said, Nationwide aren't the experts here, so I don't think asking for an expert to assess matters was an unreasonable request to make. I take on board the other matters raised by the expert such as his suspicions that T had charged more than it should've done for the petrol used during the diagnostic testing. But I don't think there is anything else in the report including this matter, which persuades me that Nationwide are acting incorrectly for not accepting liability beyond what it has already offered.

Mr W says that the car is now not fully working which he says is the result of T's repairs (or failing to carry out the requested repairs). But I can't reasonably or fairly say that the work carried out by T (or not carried out by T) has resulted in Mr W's car being in the state of repair it is in at present. Mr W's car is around 46 years old and whilst I've noted the expert said it was kept in a good state of repair prior to taking it to T, this doesn't mean that T is the cause of any faults that now exist with the car. On balance and having fully reviewed the expert report and taken into account what Mr W has said, I don't think Nationwide is wrong to conclude there's insufficient evidence in the report to show it should be liable to refund any more than it's already offered to pay.

Claims handling and customer service issues

Mr W complains that Nationwide didn't take sufficient steps to address what he describes as 'fraudulent' and 'criminal' actions by T. But as I said in my provisional decision, I think Nationwide's role here is to assess its liability under section 75 and for the reasons set out above, I think its current offer fairly and reasonably compensates Mr W in this regard. I also note what Mr W says about Nationwide not pursuing T for a refund as it has a right to do under section 75(2) of the CCA. But this is a business decision for it to make, and I'm not persuaded this has negatively impacted on Mr W's claim. Nationwide did accept it caused delays as it didn't review Mr W's claim for around four months. But I can see it has offered (and paid) Mr W £250. I appreciate the matter went on for some time after this point (early 2024) but this was mainly due to Nationwide asking for (and not receiving) an expert report until December 2024. The report was quickly reviewed at this point, and a new offer was made. So, I'm not asking Nationwide to pay anything further here.

Subject Access Request (SAR)

Nationwide made a mistake when it didn't provide all the documents it should've done under the SAR. This seems to be a genuine error for which the bank has offered Mr W £150. I appreciate Mr W thinks the SAR mistake negatively impacted on the outcome of his section 75 claim, particularly in relation to the helicoil issue - if all the documents had been supplied as they should've been, Mr W would've found out about this sooner. However, I've explained above why I still think Nationwide would've asked for an independent report. And Mr W has now had an opportunity to review, and respond to, the relevant documents that weren't initially provided as part of his SAR. So, I think the £150 fairly and reasonably reflects the impact of Nationwide's mistake in respect of the SAR. If Mr W has any more concerns about the way Nationwide handled his SAR this will be a matter for the Information Commissioners Office who deal with breaches of this kind. Mr W in his latest submissions maintains £150 isn't sufficient to compensate him for the issue with the SAR but I don't think he's presented any persuasive evidence to support that Nationwide should pay him any more than the offer it's already made.

Account defaulting

I understand Mr W didn't make the requested monthly repayments in March and April 2024. I appreciate Mr W thought the promised refund from the second invoice would be paid before a repayment was due, but he didn't sign the settlement agreement until March by which time a payment was already due. From everything I've seen, Mr W was made aware of the amounts that needed to be paid via his statements. As a result of the missed payments, Nationwide told Mr W his account had been temporarily suspended and that it might report the arrears to credit reference agencies. As this all appears to be in line with its terms and conditions, I'm not upholding this part of Mr W's complaint.

Ongoing issues

I understand Mr W wants Nationwide to answer all of his questions and he is still in touch with the bank about this. Nationwide may not have answered everything, but I'm satisfied it has fully reviewed and looked at Mr W's claim in line with what I'd expect a financial business to do. When I spoke to Mr W, I did say if there was anything *new* he may need to raise a separate complaint. However, looking at his latest complaint, it appears that he is still raising the issues that are the subject matter of this complaint about the section 75 claim (how it was handled) and the SAR (how that was handled). Mr W should also note that complaints handling isn't a regulated activity so if he has a complaint about how Nationwide has handled his complaint this isn't something I would have the power to review.

For all the above reasons, I'll be asking Nationwide to put things right in line with what I've set out below. I appreciate this isn't the outcome Mr W was hoping for. I want to reassure him that

I've reconsidered everything including the expert report and his further submissions/evidence in response to my provisional decision. I may not have commented on everything, but I've fully considered everything Mr W has said. As noted above, my role is to look at things informally. So, if Mr W disagrees, he can reject my decision and pursue matters by alternative means if he wants, such as court (seeking appropriate advice in the process).

Putting things right

For all the reasons set out above, my decision is that Nationwide Building Society should pay Mr W compensation in line with what it has already offered as follows:

- Nationwide Building Society has already paid Mr W £250 for the customer service issues so it doesn't have to do anything further here.
- If it hasn't already done so, Nationwide Building Society should pay Mr W £150 for the distress and inconvenience caused by how it dealt with his subject access request.
- Nationwide Building Society should pay Mr W £748.40 for the cost of the independent expert report. I understand Mr W didn't pay for this report using his credit card so this payment should be paid to him directly.
- In respect of the other payments consisting of £96 for the coolant charge, £177.90 for the fuel pump charge and £90 for the helicoil charge, Nationwide Building Society should pay these amounts to Mr W by refunding them to his credit card. It should remove all interest, fees and charges added as a result of this sum. If it follows that this results in a positive balance on Mr W's credit card, then Nationwide Building Society should add 8% per annum simple interest to the amount overpaid from the date the claim was made until the date of settlement. If Mr W no longer has a credit card account and there is no outstanding balance owing, Nationwide Building Society can arrange to pay the section 75 claim amounts directly to Mr W adding 8% interest from the date the claim was made to the date it is settled.

If Nationwide Building Society deducts tax from the interest I've awarded, then it should provide Mr W with a certificate of tax deduction so that he can claim a refund from HMRC if appropriate.

My final decision

My final decision is that Nationwide Building Society should pay Mr W the amounts as set out under the heading 'Putting things right'. Nationwide Building Society will be entitled to deduct anything it has already paid to Mr W in respect of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 6 January 2026.

Yolande Mcleod
Ombudsman