

The complaint

Mr B complains that Nationwide Building Society held an incorrect postcode on his personal profile since 2021 and failed to update it in a timely way when informed.

What happened

Mr B called Nationwide to check when the fixed rate deal on his mortgage would end. He was unable to get the information because he could not pass Nationwide's security checks. This was because Nationwide had the wrong postcode recorded on Mr B's personal profile. Nationwide said it would correct the error immediately.

But Mr B discovered later his record was still wrong and complained. But Nationwide didn't record the complaint and so didn't send him a reply until June 2025. Nationwide said the incorrect postcode had been on the personal profile since 2021. But it said its IT department had confirmed the issue was fixed. And it apologised that Mr B's e-mails of 18 February 2025 and 24 February 2025 had not been responded to. It paid Mr B compensation of £125.

Mr B disagreed with Nationwide's response and brought his complaint to the Financial Ombudsman Service where an investigator considered the matter. During their investigation, Nationwide confirmed the address update needed a data refresh which hadn't been asked for. The correct address didn't show until the end of August 2025.

Our investigator said Mr B had been caused considerable stress, not only because the postcode had been wrong for such a long time, but also because Nationwide kept insisting the mistake had been fixed when it hadn't. They did however say that they were satisfied there had been no data breach. But they recommended £375 more compensation.

Mr B agreed but Nationwide didn't. Nationwide said all Mr B's correspondence had been sent to the right address and it was only when he failed call security that the error came to light. It accepted the correction hadn't happened when it should have and correspondence had been unanswered. But it felt the compensation suggested was excessive. Our investigator didn't change their opinion. As no agreement could be reached Nationwide asked for an ombudsman's decision. So, it's been passed to me to decide.

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.

The basic facts of the case are not in dispute. But what is being contested is the amount of compensation. So, I'm only going to concentrate on where I think the compensation award needs to be. I've referred to the guidance available on our website and will be using this as a benchmark for my decision.

Nationwide feels its offer of £200 is sufficient. Our guidelines say:

An award between £100 and £300 might be suitable where there have been repeated small errors, or a larger single mistake, requiring a reasonable effort to sort out. Typically, the business's actions could have resulted in some acute stress lasting hours at the lower end – or a have had a milder impact across a few days, or even weeks. In this range you'll usually see either some inconvenience has been caused, or lower levels of distress, disappointment and loss of expectation.

In this case, I feel Nationwide's actions have resulted in stress for Mr B and that has lasted for more than a few days or weeks. So, I don't think an award in this range does fairly compensate Mr B.

For the range between £300 and £750, our guidelines say

An award of over £300 and up to around £750 might be fair where the impact of a business's mistake has caused considerable distress, upset and worry – and/or significant inconvenience and disruption that needs a lot of extra effort to sort out. Typically, the impact lasts over many weeks or months, but it could also be fair to award in this range if a mistake has a serious short-term impact.

Mr B has told us the knowledge that his personal information was wrong and that Nationwide were seemingly unable to fix the problem caused him considerable stress. That stress lasted for six months (between February 2025 and August 2025) and so I think the award does lie in this range. I also consider here that Mr B's attempts to raise this as an issue appeared to be ignored and that again would have caused him both stress and inconvenience.

Putting things right

For the stress caused to Mr B, and the poor customer service he experienced, I think a payment for distress and inconvenience of £500 is justified. Nationwide has already paid £125 to Mr B and so it should pay an extra £375.

My final decision

My final decision is that I uphold this complaint and direct Nationwide Building Society to pay Mr B £375 additional compensation

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

Stephen Farmer

Ombudsman