

The complaint

Mrs G complains about what she describes as disability discrimination and a lack of support from Nationwide in relation to her overdraft. Mrs G says Nationwide failed to provide proper help and support when she reached out to it for help and it has continued to apply excessive bank charges that have caused her financial difficulty.

A second part of Mrs G's complaint is that Nationwide did not make a payment to her under its Fairer Share Payment scheme. This matter has been addressed in a separate decision which has been sent under separate cover.

What happened

Mrs G has long-term medical conditions, and she has experienced very difficult personal circumstances. As a result, Mrs G says she has reached out to Nationwide – who she made aware of her circumstances - for help many times in relation to her account, but she “*experienced a lack of compassion and support*”.

Mrs G says that Nationwide has applied excessive bank charges totalling £2,260.84 (at the time the complaint was referred to our service) that have “*snowballed making up the vast majority of [her] overdraft and sometimes taking [her] over [her] overdraft limit*”. In other words, Mrs G says the charges have caused her financial hardship.

In April 2024, Mrs G contacted Nationwide in order to request a refund of a charges applied to the account. The contemporaneous call notes suggest, during the call, Mrs G explained that her personal circumstances had changed which resulted in temporary financial difficulty. What's more, Mrs G explained that her ill-health had compounded the situation. As I understand it, Nationwide did not agree to refund any charges during this call. Nonetheless, Nationwide was on notice about her difficult personal circumstances and health issues.

In August 2024, following a telephone call from Mrs G, Nationwide agreed to refund charges applied in June, July and August, as well as pending charge in September 2024. This totalled £284.45. At this time, the contemporaneous call notes suggest Mrs G agreed to ‘*self-manage [the] account*’ from that point. And it seems Mrs G was advised that if she is unable to cover any further charges going forwards a payment plan could be arranged which would freeze further charges.

In March 2025, Mrs G contacted Nationwide again because she was over the agreed limit. Mrs G once again explains her difficult personal circumstances and vulnerabilities. As a result, Nationwide agree to refund charges applied in one month, as well as two pending charges, totalling £205.69. The contemporaneous call notes suggest Nationwide did discuss setting up a payment plan, but Mrs G was unable to go through an income and expenditure (I&E) assessment at that time. Mrs G was advised to contact Nationwide again if she needed further support in the future so that a long-term solution (such as a payment arrangement) could be set up.

In June 2025, Mrs G contacted Nationwide again to request a refund of charges. During this call, Nationwide refused to refund further charges but, instead, said that it would look to set

up a payment arrangement. As I understand it, Nationwide discussed defaulting the account as *“an exit route if [Mrs G] was not able to manage the account and the fees associated with this”* at this time.

Unhappy with this, Mrs G complained to Nationwide about how she was being treated.

A short time later, Nationwide issued its final response to the complaint. In short, Nationwide said it did not think it had acted unfairly because it had already refunded *“almost £500 of charges since August 2024”* and this pattern was *“not sustainable in the long-term”*. Nonetheless, Nationwide agreed to refund a further two charges applied in May and June 2025 (totalling £208.58), as well as a pending charge of £70.24 which was due to be debited in July 2025.

Nationwide went on to say that it would not agree to further refunds and that, if Mrs G is struggling to manage the account, it would *“need to discuss and explore a repayment plan where [her] overdraft will reduce monthly and [her] interest charges will be frozen”*.

Following further back and forth between both parties, Nationwide set out the four options available in the circumstances. In short, these were:

1. Referral to a free debt advice charity.
2. Mrs G can continue to self-manage the account and clear the balance herself (if she is in a position to do so).
3. Set up a repayment plan.
4. Default the account.

Mrs G said she did not want her account to be defaulted and that she would consider her options.

A short time later, Mrs G referred her complaint to our service.

I can see Mrs G contacted Nationwide in October and November 2025 in order to request a refund of charges, as well as to express surprise at receiving contact from Nationwide about the account whilst the complaint was with this service. I understand Nationwide agreed to apply ‘breathing space’ to the account to prevent further calls. This was applied until 24 November 2026¹.

The case was allocated to one of our investigators. Prior to the investigator reaching his opinion, Nationwide agreed to refund charges applied in September, October and November 2025. Nationwide also said it was prepared to discuss a repayment plan with Mrs G and, if this is affordable, this would ensure no further charges are incurred. But if a payment plan isn’t affordable and the account were to default (following statutory notification), Nationwide has said it would be prepared to backdate the default to August 2024 – this being the second time Mrs G got back in touch to request a refund of charges.

In December 2025 the investigator said, in short, that the steps Nationwide had taken to support Mrs G – including its recent offer - were fair and reasonable in the circumstances.

Mrs G did not agree and, in doing so, provided detailed submissions. In order to reassure Mrs G that these additional submissions were safely received, I’ve set out a summary of the contents here:

- Details about Mrs G’s medical conditions, supported by relevant documentation from her doctor.

- Correspondence between Mrs G and Nationwide about a prior complaint regarding overdraft charges applied between June 2023 and November 2023. This was evidenced by way of a printout of an online chat Mrs G had with Nationwide, as well as a number of emails, and a letter sent by Mrs G to Nationwide throughout early 2024. Further, Mrs G has provided evidence of Nationwide's response (some of which post-date the final response) which set out its view that the charges have been applied fairly.
- Copies of Annual Statement of Fees dated from 2019 to 2023.
- Copies of Notice of Charges dated from February 2025 to July 2025.
- Evidence of a Section 21 notice issued in November 2025.

As an agreement could not be reached, the complaint has been passed to me to review afresh.

At this juncture, it is important to set out the scope of this decision. The complaint that has been brought to our service was made to Nationwide in June 2025 – following a telephone call in which it refused to refund further charges. At this time Mrs G complained about the way Nationwide had treated her.

I note Mrs G had raised a previous complaint about the overdraft charges and this was responded to in either late January 2024 or early February 2024. And, at that time, as well in further correspondence dated 19 February 2024 and 15 April 2024, Nationwide let Mrs G know about her rights to contact our service. As such I consider events covered by this prior complaint falls outside the scope of this decision.

The contact notes suggest the next contact Mrs G had with Nationwide after the previous complaint had been fully responded to was in April 2024. With that being the case, this decision will consider events from April 2024 onwards.

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, I think the offer Nationwide has put forward since the complaint since the complaint has been referred to our service is fair and reasonable in the circumstances. Therefore, I am upholding this complaint. However, noting how Mrs G feels Nationwide should put things right, I understand this outcome will come as a disappointment to her. But I'll explain why I think it is a fair outcome in the circumstances.

Before I proceed, I'm aware that I've summarised this complaint above in less detail than it may merit. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Secondly, Mrs G has clearly spent quite some time compiling detailed submissions in support of her case. In particular, Mrs G has shared information about her challenging personal circumstances as well as her own I'll health. I would like to thank her for doing so – I imagine it wasn't to do. However, I won't comment on everything that she has said. If there's something I've not mentioned, it isn't because I've ignored it – I haven't. I'm satisfied I don't need to comment on every individual argument or piece of evidence to be able to

reach what I think is the right outcome. I will, however, refer to those crucial aspects which impact my decision.

Lastly, I would add that where the information I've got is incomplete, unclear or contradictory, I've based my decision on the balance of probabilities.

Mrs G has said that she considers Nationwide discriminated against her under the Equality Act. Mrs G has long-term health conditions, and she has experienced very difficult personal circumstances. She says Nationwide failed in its duty of care – and demonstrated a lack of compassion – when she reached out to it for help and support. In particular, she feels Nationwide discriminated against her by continuing to apply charges (which caused her, at times, to go over the agreed limit) and by *'threatening'* to default the account despite it knowing her circumstances.

As the investigator has explained, it's not our role to say whether a business has breached the Equality Act. That's a matter for the courts. However, we will take into consideration relevant law which includes the Equality Act, to decide what's fair and reasonable in the circumstances to decide what's fair and reasonable in all the circumstances.

As a start point, I do not think Nationwide discriminated against Mrs G simply by applying charges to the account. The charges have been applied in-line with the terms and conditions of the account. Equally, I do not think discussing the possibility of defaulting the account was in and of itself, problematic. It is always a potential consequence when a customer is in breach of an agreement. Indeed, it would be remiss of Nationwide to not mention this possibility in those circumstances.

As a regulated firm, Nationwide must abide by rules set out by the Financial Conduct Authority in its handbook. The relevant rules and regulations are contained in the Consumer Credit Sourcebook (CONC).

Section CONC 7.3 explains what firms like Nationwide must do when consumers are in financial difficulty.

CONC 7.3.4 states:

"A firm must treat customers in or approaching arrears or in default with forbearance and due consideration."

CONC 7.3.5 provides examples of treating a customer with forbearance:

(1) suspending, reducing, waiving or cancelling any further interest or charges (for example, when a customer provides evidence of financial difficulties and is unable to meet repayments as they fall due or is only able to make token repayments, where in either case the level of debt would continue to rise if interest and charges continue to be applied);

...

(4) agreeing a repayment arrangement with the customer that allows the customer a reasonable period of time to repay the debt;

I've kept this in mind when considering this matter.

Since Mrs G contacted Nationwide in April 2024, she has received a refund of charges applied from June 2024 to September 2024 inclusive, as well as from February 2025 to November 2025 inclusive.

Noting what Mrs G had told Nationwide about her circumstances, I think refunding charges was a fair and reasonable starting point. I say this because refunding charges would have at least provided Mrs G with some breathing space and given her an opportunity to get things back on track.

Indeed, the contemporaneous call notes suggest the outcome Mrs G was seeking when she contacted Nationwide was a refund of the charges. It is clear Mrs G wanted to continue to manage the account on her own. And, as I've said, in the main, this request has been granted. In that context, I struggle to see how Mrs G has been discriminated against.

However, whilst it was well-intentioned, I think Nationwide was wrong to allow this pattern of charges and refunds to continue for as long as it did (indeed, Nationwide accepts this to be the case). I say this because Mrs G returned to Nationwide on a number of occasions over the course of many months to express dissatisfaction with the application of the charges which were causing her financial difficulties. This includes, at times, causing her to go over the agreed overdraft limit. I think Nationwide ought to have realised that Mrs G was experiencing difficulties managing the account and refunding the overdraft charges on an ad-hoc basis was not a long-term or sustainable solution to the problem.

I can see Nationwide has suggested, on a number of occasions, that Mrs G completes an I&E assessment in order to set up an affordable repayment plan with a view to paying down the overdraft. This would also have the effect of suppressing all interest charged to the account. To date, Mrs G has not agreed to do this. Nationwide has explained that if, following completion of an I&E assessment, a repayment plan is unaffordable (or in the event Mrs G decides not to complete an I&E) it will begin taking steps to default the account.

I consider this to be a fair and reasonable response in the circumstances – and one that aligns with its obligations under CONC – albeit one that should have been arrived at sooner than it was.

I recognise Mrs G was keen to continue to self-manage the account, but certainly by the time Mrs G contacted Nationwide again in August 2024, I think there was a reasonable body of evidence to suggest that she was having trouble doing so. And, as a responsible lender, Nationwide ought to have taken steps towards a longer-term solution (i.e. a repayment plan and, if necessary, defaulting the account) at that time even though I accept Mrs G was (and is) very keen to avoid this outcome.

But I don't think Mrs G has suffered detriment as a result of this action not being taken sooner. I say this because, as I've said, Nationwide has agreed to refund a considerable number of charges over the course of around 18 months, which has resulted in Mrs G having access to a largely fee-free fixed overdraft facility for a prolonged period of time.

I have thought about what would likely have happened if Nationwide had stepped in sooner (specifically in August 2024). In that circumstance, Mrs G would have either agreed to a repayment plan following an I&E assessment and began paying down the debt or, if a repayment plan wasn't affordable (or Mrs G chose not to complete one), Nationwide would have begun taking steps to default the account. In either event, Mrs G would not have had access to the (largely fee-free) overdraft facility from this point onwards. Noting Mrs G was keen to retain the facility, I don't think she has suffered detriment as a result of Nationwide's failure to step in sooner.

Looking ahead, Nationwide has told our service that, with Mrs G's agreement, it will carry out an I&E assessment with a view to setting up an affordable repayment plan. If an affordable repayment plan is agreed, this will ensure no further charges are applied to the account. However, if a repayment plan isn't affordable – or if Mrs G choose not to complete one – it will issue a default notice. In the event the account is defaulted, Nationwide has agreed to backdate this to August 2024 (this being the second time Mrs G had contacted it since the initial complaint) which feels fair in the circumstances.

I would add that in the event the account is defaulted, any charges applied after August 2024 (which have not been refunded) should be offset against the debt.

So, looking at things in the round, I think what Nationwide has proposed to resolve matters is fair and reasonable in the circumstances. I do not think any further award would be appropriate in the circumstances.

I want to make clear I do not doubt how genuinely Mrs G feels about this matter and the upset Nationwide's actions have caused her. However, having considered all the circumstances of this case – including the relevant law in relation to what Mrs G has said -, I think the steps Nationwide has put forward to resolve matters is fair in the circumstances.

Therefore, I uphold this complaint.

Putting things right

To put things right, Nationwide should:

- Refund the charges applied in September, October and November 2025 if it has not already done so.
- Liaise with Mrs G to complete an I&E with a view to setting up an affordable repayment plan. I would encourage Mrs G to engage with Nationwide in this matter.

My final decision

For the reasons I've explained, I uphold this complaint and direct Nationwide to settle matters in the way I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 11 March 2026.

Ross Phillips
Ombudsman