

The complaint

Mr S complains that Nationwide Building Society ('Nationwide') acted irresponsibly in the way it provided him with a flex account overdraft facility in October 2021 and then went on to increase the overdraft limit twice in September 2023.

What happened

The initial overdraft in October 2021 was for £1,500. It was then increased to £1,750 and then to £2,000 in September 2023. Under the account terms, the overdraft was free for the first six months.

The details of this complaint are otherwise well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my decision.

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.

We've explained how we handle complaints about unaffordable and irresponsible lending on our website. And I've used this approach to help me decide Mr S's complaint.

Having considered everything, I'm not upholding Mr S's complaint. I'll explain my reasoning below:

- I think the checks Nationwide used when agreeing to the initial overdraft in October 2021 were reasonable and proportionate, given the overdraft limit being granted and what it knew about Mr S's financial circumstances.
- However, I don't think the checks Nationwide did before increasing the overdraft limits in September 2023 were reasonable and proportionate. I say this given that Nationwide was already aware that Mr S was making regular use of his overdraft, having found it necessary to write to him about it in April and June 2023. I say this having noted that the checks Nationwide carried out didn't show or suggest that Mr S was or might be at risk of getting into financial difficulties with his overdraft.
- If Nationwide had carried out better checks than it did, I don't think it's likely these would have shown it was unfair to increase Mr S's overdraft limits. I've considered Mr S's current account statements in order to get an idea of what Nationwide was likely to have seen at the time of the increases. I've also thought about what Mr S has told us about his financial circumstances. I realise Mr S was a student at the time and was getting funding to help with his studies. Although he was making regular use of his overdraft, he looked to be managing his finances reasonably well and wasn't having to rely on his overdraft in order to pay his committed expenditure each month. I've not seen enough to show or suggest that he might have been over-extending his

borrowing capability such that he wouldn't be able to repay the overdraft on a sustainable basis.

- In terms of monitoring Mr S's account use, I've seen that Nationwide wrote to him to keep him aware that his overdraft use was costing him money and to offer him support. I think that's enough given that the level of overdraft reliance, whilst sometimes prolonged, didn't show that Mr S's financial situation might be deteriorating significantly. When saying this, I've taken on board that there were occasional returned payments. Based on what I've seen, though, I don't consider Nationwide needed to intervene more actively than it did.
- I don't think Nationwide has acted unfairly in any other way.
- I've seen what Mr S has said in response to our investigator's findings. I've thought carefully about everything he's said but it doesn't lead me to change my overall conclusion.

This all means I don't think Nationwide did anything wrong when it provided the initial overdraft or the increases that followed.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Nationwide lent irresponsibly to Mr S or otherwise treated him unfairly. I haven't seen anything to suggest that s.140A or anything else would, given the facts of this complaint, lead to a different outcome here.

I know this isn't the outcome Mr S hoped for. But for the reasons I've given above, I'm not asking Nationwide to do anything more than it has already done to put things right.

My final decision

My final decision is that I'm not upholding this complaint and I don't require Nationwide Building Society to do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 22 May 2026.

Michael Goldberg
Ombudsman