

complaint

Mrs H complains about Nationwide Building Society's maladministration of her accounts. In particular she says that the society failed to carry out her instructions and cancel a number of regular monthly payments when she requested this in July 2012. She is unhappy about the effect of this on her credit file and on her accounts, and that she is being pursued for repayment.

background

Although Nationwide acknowledged its mistakes and initially offered £50 compensation (now increased to £250) and has now sought to put Mrs H's accounts back in the position they would have been in but for its mistakes, Mrs H has not accepted this. She believes that Nationwide is responsible for the overdraft position of her accounts, and says that the society has damaged her credit record. Mrs H is also unhappy about the way the society handled her complaint.

Our adjudicator recommended that this complaint should be upheld in part. He did not think Nationwide was responsible for the debtor position which Mrs H is in, as he was satisfied that Mrs H did owe a legitimate debt to the society. Whilst Nationwide ought to have stopped the payments leaving Mrs H's account in July 2012, it seemed to him that Mrs H had not taken action to rectify the situation by making payments towards reducing the overall debt on her accounts. He concluded that although Nationwide had likely made a mistake in not actioning Mrs H's request in July 2012 promptly and efficiently, it did not follow from this that the society should be required to write off the legitimate debt Mrs H owed.

Our adjudicator noted that when Mrs H had first approached Nationwide she had already exceeded the agreed overdraft limit on her account ending 5063. Our adjudicator did not consider he was able conclude that the adverse information should be removed from Mrs H's credit file. He explained that a business is obliged to report accurate information to the credit reference agencies. Our adjudicator accepted that as a result of Nationwide making the £800 transfer on 3 July 2012, the debit balance on account ending 6580 increased beyond the agreed overdraft limit, but he noted that even if the transfer had not been made Mrs H's accounts would have been in an unfavourable position.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

It does not appear to be in dispute that Mrs H approached Nationwide by a variety of different methods in and around July 2012. She says she delivered a letter to a branch in early July 2012, in which she requested the cancellation of a number of payments from her account ending 6580. Unfortunately neither Mrs H nor the society have been able to provide a copy of this letter.

Nationwide has recognised that it did not carry out Mrs H's instructions, although it has explained that the fact she had several Flex accounts likely contributed to the confusion. It has acknowledged that it should have clarified Mrs H's instructions and then carried them out properly; and it has apologised to Mrs H. During our investigation of this complaint Nationwide has offered to put things right by putting Mrs H's accounts back into the position they would have been in, but for its delay in responding to her request. It has removed the

following charges from her accounts - £306.64 for account ending 5063 and £13.64 for account ending 6580. In order for the accounts to be closed, as Mrs H has suggested she wanted, Nationwide has told us that Mrs H needs to repay the outstanding debit balances on both her accounts. It has also offered Mrs H £250 in recognition of its poor complaints handling and the inconvenience caused.

I have reviewed the statements for both accounts and I note that Mrs H was regularly overdrawn on both accounts. Account ending 6580 had an agreed overdraft limit of £880 and account ending 5063 had an agreed overdraft limit of £350. Regular credits were being made to account ending 6580 from which a number of payments were being made, including a regular transfer of £800 to account ending 5063. My understanding is that the credits then stopped and Mrs H contacted Nationwide in July 2012 in an attempt to reduce her expenditure, as she had been made redundant and was experiencing difficulties.

Although on balance I am satisfied that Mrs H instructed Nationwide in July 2012 to cancel the payments and not make the £800 transfer, if the transfer of £800 in early August 2012 had not been made, then the position on account 5063 would have deteriorated further and future payments (which Mrs H had been expecting to make) might not have been honoured, causing further problems for her and the third parties involved in the transactions. I also think that Mrs H would have been able to transfer £800 back to account ending 6580 to reduce the overdrawn balance.

As regards the aspect of her complaint about closing her accounts, Mrs H argues that she has returned all her Nationwide cards, cheque books and paying in books as the society has asked her to do. She also says she did not continue making repayments during the course of this complaint and yet Nationwide has continued contacting her about the debts. I appreciate that Mrs H feels that her complaint against Nationwide has been protracted, and that this strengthens her argument that the society should be required to remove the adverse credit references and write off her debt. But I do not agree. For the same reasons as our adjudicator, I am unable to conclude that the society should amend Mrs H's credit file, or that it should be required to write off the debts. I note that although the society continued its collections activity after November 2012 when the accounts were put on hold, it has apologised for this.

In summary, it does not follow that the mistakes made by Nationwide in failing to clarify and carry out Mrs H's instructions in July 2012 caused Mrs H's accounts to go into overdraft, and led to the outstanding debt which Mrs H owes the society. I am satisfied that the amounts outstanding on Mrs H's accounts are legitimate debts owing to the society, and I am not persuaded that the society's administration and service failings mean that it should now be required, as Mrs H asks, to write off these amounts or to remove any adverse credit references that have arisen.

Finally, I note that in recent correspondence Mrs H has raised a number of ancillary points which I understand she believes strengthen her complaint against the society, including that it did not help her when she was experiencing financial difficulties. But she would need to raise any concerns which have not been the subject of this complaint (which is about the society's failure to carry out her instruction in July 2012 and the consequences of that) as a new complaint. Any new complaint should be raised against the society in the first instance to give it an opportunity to investigate her concerns.

my final decision

My decision is that I uphold this complaint in part. In full and final settlement of it I order Nationwide Building Society to pay Mrs H £250 in recognition of its poor complaint handling and the inconvenience caused by its error in not dealing with her request to cancel the payments.

Claire O'Connor
ombudsman