

complaint

Mr N complains that Nationwide Building Society accepted his instructions to make a payment by bank transfer, but paid the money to the wrong person.

background

Mr N asked the society to pay money from his account to his landlord as a rental payment. He had instructed payment of his rent in the same way in the three preceding months. The transfer form Mr N completed did not have all of the details completed when he signed it. Instead of making the payment to his current landlord, the society made payment to Mr N's former landlord, who will not now return the payment.

Our adjudicator upheld the complaint and recommended that the society should reimburse Mr N and should also pay him £75 for distress and inconvenience.

Nationwide does not accept our adjudicator's findings and maintains that the error was caused by Mr N's incomplete instructions.

my findings

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

I am satisfied that in 2009 Mr N instructed the society to set up a payment facility to his landlord, but that facility was never used, and his (then) landlord was not paid by bank transfer.

I can see that in July 2013 Mr N gave fresh instructions for payment of rental to a different landlord, and that the society acted on his instructions to make rental payments to his new landlord in July, August and September, all 2013.

It is not disputed that in October 2013 Mr N called into his branch and signed a bill payment authority identifying the payment as "Rent". I am satisfied that the cashier completed the form authorising the transaction and passed it to Mr N for him to sign. Although Mr N signed the form, it had neither a name nor an account number for the payee.

The society says that the cashier relied entirely on the information Mr N provided and that confusion was caused by Mr N's haste; but I find that the society had made similar payments successfully in each of the three preceding months. The society had not previously made a payment to the recipient in this case. The cashier chose details from the society's own records which were four years old, and had not previously been used.

I find that a mistake was made. I am satisfied that although the society's cashier intended to make the payment Mr N requested, the cashier selected the wrong details for the payee. I do not think that Mr N would have been in a position to check the details presented to him by the cashier. I therefore find that responsibility for the error rests with the society.

So, I come to the same conclusion as our adjudicator.

As I find that Mr N's account was debited, and his rent was not paid, because of an error made by the society, I find that the society should reimburse him for the amount paid out in error (£780).

The failure to pay rent to Mr N's current landlord caused distress and inconvenience. In all the circumstances, and bearing in mind the general level of awards this service makes in this area, I consider £75 is a fair settlement.

my final decision

My final decision is that I uphold this complaint. I direct Nationwide Building Society to:

- (i) pay Mr N £780 to reimburse him for the money debited from his account, and
- (ii) pay Mr N £75 for the distress and inconvenience suffered.

Paul Doyle
ombudsman