

## complaint

Mr M doesn't think Nationwide Building Society has given him enough time to repay his overdrafts. And he wants to make a repayment arrangement with Nationwide that won't be recorded on his credit file.

## background

In late 2016 and early 2017 Nationwide told Mr M it was going to reduce the overdraft limit on three of his accounts. Mr M was unhappy about this so he got in touch with Nationwide and then the ombudsman service. In September 2017 Nationwide told Mr M that:

- Account 2410. It would extend the current overdraft limit for another six months at which point the next regular six monthly account review would take place
- Account 6656. Mr M could continue using the account as he had previously if he brought the balance within its overdraft limit in the next 14 days
- Account 6166. The overdraft facility would be withdrawn at the end of September 2017. Mr M could either repay in full or Nationwide could reduce the overdraft by £50 each month until the balance reached zero

Mr M was still unhappy so he complained to our service. The investigator said that while she understood Mr M's difficulties, it was difficult to see how Nationwide could help him further without him providing the extra information it'd asked him for. And she explained that financial businesses like Nationwide are required to report information such as arrangements or missed payments on Mr M's credit file.

Nationwide had told Mr M it would give him breathing space by not contacting him, but the investigator thought Nationwide hadn't kept to this so she asked it to pay Mr M £50 compensation for his distress and inconvenience, on top of the £150 it'd already offered. Mr M disagreed. He's unhappy about Nationwide reducing his overdrafts and feels he should receive more compensation. So his complaint has been passed to me for a decision.

## my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. And having done so I'm partially upholding Mr M's complaint. Before I explain why, I'd like to be clear that this service has already considered a complaint from Mr M about Nationwide's decision to reduce his overdrafts, so I won't be looking into that.

I know Mr M feels very strongly that Nationwide hasn't given him enough time to repay his overdrafts. But overdrafts are a type of short-term borrowing and are repayable on demand, as set out in the terms and conditions of Mr M's accounts. It says '*22. Any overdraft that we give you can be immediately reduced or withdrawn by us and all overdrafts are repayable on demand. We will aim to give you not less than 14 days notice before reducing or withdrawing your overdraft or demanding repayment.*'

While the terms and conditions say Nationwide will give at least 14 days notice, it's actually given Mr M much longer. I say this because it first told Mr M it was going to reduce his overdrafts in late 2016 and early 2017. But it's kept them as they are whilst this service looks into things, including the overdraft on a fourth account Nationwide recently told Mr M it intends to reduce. So Mr M has had much longer than 14 days notice. Based on this I think

Nationwide has acted in line with its terms and conditions and given Mr M a fair and reasonable length of time to repay his overdrafts.

Mr M says he'd like Nationwide to offer him a way of repaying his overdrafts without it affecting his credit file. Credit reference agencies ("CRA's") hold credit files for people, which businesses use to help them make decision about lending. A credit file shows how someone has managed their financial commitments, for example what they owe, payments they've made or missed, and repayment arrangements.

CRA's get their information from businesses like Nationwide, and the terms and conditions for Mr M's Nationwide accounts say *'Use of my information (k) Where I borrow or may borrow from you, you may give details of my account and how I manage it to credit reference agencies. If I borrow and do not repay in full and on time, you may tell credit reference agencies who will record the outstanding debt'*.

So the terms and conditions allow Nationwide to add information to Mr M's credit file about how he manages his accounts. But Nationwide has to make sure that information is correct as the Information Commissioner's Office ("ICO") says that *'Data that is reported on your credit file must be fair, accurate, consistent, complete and up to date.'* This means if Nationwide agrees a repayment plan with Mr M, it must add this information to his credit file otherwise it won't meet the ICO's requirements.

Mr M says Nationwide declined his request for a personal loan to repay his overdrafts, but it's not obliged to give him a loan. I see Nationwide has asked Mr M to complete a Statement of Means so it can understand his income and expenditure and agree a realistic repayment plan. But Mr M hasn't yet provided this information and I don't think Nationwide can do anything more to help Mr M without it. I can't say Nationwide's done anything wrong in how it's tried to help Mr M with his repayments – it's tried to understand his financial position and it's required to report any repayment arrangement Mr M agrees to. So I won't be asking it to do anything more about this.

Mr M is unhappy Nationwide didn't call him back when it said it would and took too long to downgrade account 6656 which led to him being wrongly charged £35. Nationwide has apologised, refunded the charges and offered Mr M £150 compensation. Mr M doesn't think £150 is enough. I agree Nationwide made a mistake that caused Mr M distress and inconvenience, but I think £150 is fair compensation in the circumstances.

Mr M is also unhappy because Nationwide called him despite saying it wouldn't. Nationwide's records show it'd agreed not to contact him about his overdrafts until after 31 December 2017. But it called him about account 6166 twice, on 7 December and then again the next day and Mr M found this upsetting. I don't always award compensation when this type of mistake happens, but in this case I think the £50 compensation suggested by the investigator is fair.

**my final decision**

As explained above, I'm partially upholding this complaint. Nationwide Building Society should pay Mr M a total of £200 compensation for his distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 23 May 2018.

Ailsa Wiltshire  
**ombudsman**