

complaint

Mr B complained that Nationwide Building Society pressurised him to increase his personal loan repayments, and didn't treat him as a vulnerable customer.

background

Mr B had problems paying his debts and contacted a debt charity for financial advice. A debt management plan was set up, but in summer 2014 he wasn't able to pay for a few months.

Neither Mr B nor his debt charity contacted Nationwide until September, when Mr B contacted Nationwide. Nationwide told him it had been happy with his previous monthly agreement, but as it hadn't heard from him when he broke the previous arrangement, it suggested rearranging his debt so it would be paid off in five years. This would mean paying £145 month when he'd been paying about £100 month on the previous arrangement. Nationwide offered an alternative of putting a second charge onto his property. Mr B volunteered that his mother would help, and a new arrangement was set up for £145 month.

In summer 2015, Mr B complained to Nationwide. He said that when the arrangement had been set up, he hadn't been identified as a vulnerable customer and passed to the relevant department. He said no-one had asked if the payments his mother had offered were sustainable for her, and that he was pressurised into the higher payments. He also complained no-one had rung back to check if the plan was still affordable and said the advisor had been unhelpful.

Nationwide didn't agree. It listened to the September 2014 call recording and said that although Mr B had said he'd had depression, he had said he was back at work and wanted to discuss and take control of his finances. There had been no correspondence or any medical evidence about Mr B's circumstances. The society said the call recording didn't back up Mr B's complaints, and as Mr B was using a debt charity, Nationwide wouldn't call Mr B direct. Nationwide said that if the payments weren't viable, it would expect Mr B to make contact straightaway. Nationwide did agree that the summer 2015 call handler hadn't listened to the September 2014 call, so it offered Mr B £50 compensation.

Mr B wasn't satisfied and complained to this service. He said he'd been offered two clear choices, to clear the loan in five years or accept a charge on his property. He couldn't accept a charge because his partner didn't know about his debts. He said Nationwide had breached a number of the requirements of the Financial Conduct Authority (FCA) called the CONC rules. He said Nationwide had bypassed its responsibilities for dealing with vulnerable customers, and it wasn't a vulnerable customer's responsibility to identify himself as vulnerable. He wanted a refund of all the increased payments since 2014, and redress for the situation he'd been put in financially and mentally.

The adjudicator didn't agree that Nationwide had broken the CONC rules Mr B quoted, or made any error. The adjudicator listened to the call recording and pointed out that it was Mr B who suggested increasing the payments, and the advisor had asked where he'd get the money from. Mr B had said his mother was willing to help, and the advisor had asked if this was realistic. The adjudicator looked at the account and considered that repaying the loan within five years was reasonable. He didn't agree Mr B had been given an ultimatum, and saw no evidence that Nationwide had been provided with information suggesting Mr B was a vulnerable customer.

Mr B wasn't satisfied. He said he did believe the CONC rules had been breached and he said that neither the adjudicator nor Nationwide had had psychiatric training to know whether he was in a vulnerable state. He said he was shocked that this service thought giving an ultimatum was a fair way to treat customers.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. This includes listening to what Mr B and Nationwide said on the phone.

The phone evidence is quite clear. I find that the Nationwide advisor did not pressurise Mr B, nor did she give him an ultimatum that he had to clear the debt within five years or accept a charge on his property. I consider the advisor was sympathetic and helpful, and she set out options, after checking that Mr B was back from sick leave and was working full-time. It was Mr B who suggested increasing his repayments, and Mr B who suggested that his mother would help. I note in particular that the advisor said "*I want you to be realistic*" about the help from his mother. I also note that Mr B commented at the end "*Brilliant, brilliant, thanks a lot for your help.*" This doesn't fit with Mr B's complaint about a year later.

Mr B specifically wanted this service to comment how Nationwide adhered to the CONC rules. As I find the Nationwide advisor setting up the arrangement so clearly did nothing wrong, I don't consider it's necessary to examine each clause in detail. But I find that the advisor was not threatening; didn't give Mr B an ultimatum; didn't force him to an unaffordable payment; didn't give him an unreasonable time; and nor did she commit any other forbidden errors.

I disagree with Mr B's statement that it's not a vulnerable customer's responsibility to identify himself as vulnerable. It wouldn't be reasonable to expect Nationwide to have identified vulnerability when it hadn't been told. Nor could it have suspected vulnerability from the conversation. Mr B said he was back at work after eight weeks off with depression. He told the advisor he was working full-time, and his tone was positive about getting things sorted out. He was appreciative, and he disagreed with nothing the advisor said. I consider there was nothing in either what Mr B said or the way he said it which might have alerted Nationwide.

I also note Mr B was being helped by a debt charity, and I'd have expected the debt charity to have raised vulnerability and sent conclusive medical evidence of any ongoing medical problems. So I don't uphold this complaint.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 4 February 2016.

Belinda Knight
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