

## **complaint**

Mr F complains that Nationwide Building Society withdrew his overdraft facility and wouldn't accept his offer to reduce it by £50 per month.

## **background**

Mr F had an overdraft facility of £500 on his current account with Nationwide. In May 2018 Nationwide wrote to Mr F to let him know it would be reducing his overdraft limit to nil on 3 July.

Mr F said he was in financial hardship and didn't have the money to clear the overdraft in one go. He asked Nationwide to reduce the limit by £50 per month so that he could clear it without being placed in more difficulty. But Nationwide didn't agree, so he complained.

Nationwide said it renewed every overdraft every six months. When it had renewed Mr F's account it had considered a number of factors. It was meant to be a short term lending facility but Mr F was overdrawn most of the time, so Nationwide said it reduced the overdraft to stop him becoming over reliant on it. Nationwide also said it had considered Mr F's comments about financial hardship, but could see he was using the account for things that were not essential. Finally, Nationwide said it had asked Mr F to get in touch to discuss a repayment plan and complete an income and expenditure form but hadn't heard from him.

Mr F was unhappy with the response and complained to this service, but our investigator didn't think the complaint should be upheld. He said Nationwide had followed its terms and conditions and treated Mr F in the same way as any other customer in his situation. So Mr F has asked for an ombudsman's 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.

Although Mr F had an overdraft facility for some time, Nationwide's terms and conditions allow it to review this. The overdraft is meant to be a convenient way to borrow money over a short period. And it's repayable on demand. This means Nationwide can at any time (within reason) ask the customer to repay it, though its terms and conditions do say

*"We will aim to give you not less than 14 days' notice before reducing or withdrawing your overdraft or demanding repayment."*

So Nationwide could ask Mr F to repay his overdraft at any time and was within its rights to do this, provided it gave Mr F at least 14 days' notice.

But I can still consider why Nationwide took the overdraft away and whether its actions were fair and reasonable, taking into account Mr F's individual circumstances.

Nationwide has explained that it reviews accounts regularly. It uses an assessment method called credit scoring, including information from credit reference agencies, and looks at the way the account is being used.

In Mr F's case, Nationwide saw that Mr F was regularly using his overdraft. As it's meant to be a short term way of borrowing money, it concluded that to prevent Mr F becoming reliant on the overdraft it should be reduced.

Nationwide gave Mr F over two months' notice that the overdraft would be removed, so he was aware well in advance of it happening.

Mr F said he was in financial hardship. Nationwide was prepared to consider his offer to reduce the overdraft over a period of time and asked him to make contact to discuss this. It also asked him to complete an income and expenditure form. Mr F didn't do this. He said nothing had changed since the last time he'd provided details of his finances. But I think it's reasonable for Nationwide to want up to date information.

Mr F is unhappy that Nationwide commented on payments relating to gambling being made from his account. As he had said he was in financial hardship. It was reasonable for Nationwide to look at what money was going into and out of his account, to assess whether he was in financial difficulty.

For these reasons, I'm satisfied Nationwide reviewed Mr F's account in the same way as any other customer, in line with the terms and conditions and its usual assessment methods, gave him enough notice of the change, and took into account his personal circumstances. So in my judgment the decision to remove his overdraft was reasonable.

### **my final decision**

My final decision is that I don't uphold the complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 27 December 2018.

Peter Whiteley  
**ombudsman**