

complaint

Mrs F says the compensation of £50 that Nationwide Building Society offered after making mistakes on her Loyalty Saver account isn't enough. Nationwide should honour the interest rate it told her she would get.

our initial conclusions

Our adjudicator recommended the complaint should be upheld. He said a number of mistakes were made. In addition to the £50 payment for the trouble and upset caused, the society should pay the difference in interest between the rate it told Mrs F she would get and the rate it then said she qualified for. Nationwide disagreed. It said whilst it accepted it'd given Mrs F the wrong information, she wasn't entitled to the higher interest rate as there'd been a break in her society membership.

my final decision

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Based on the number of errors and contradictory communications from the society, I don't think Nationwide's 'technical' argument that Mrs F was only ever entitled to the lower rate of interest is reasonable. She proactively tried to confirm the rate and was given different answers over a number of months. And as these delays and mistakes influenced her investment decision I think it's fair that the society should honour the higher interest rate for the length of time it held her money.

My final decision is that I uphold this complaint. Nationwide Building Society must pay to Mrs F:

- £50 compensation for the trouble and upset caused; and
- the difference in the interest she actually earned on the one-year membership tier and what she would've earned on the five-year membership tier from account opening (28 March 2014) to closure (4 July 2015) (see note overleaf).

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs F either to accept or reject my decision before 9 November 2015.

Rebecca Connelley

ombudsman at the Financial Ombudsman Service

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

ombudsman notes

If Nationwide considers it has to deduct tax from the interest element of my award, it should send Mrs F a tax deduction certificate when making payment. She can then use that certificate to try to reclaim the tax, if she is entitled to do so.

what is a final decision?

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

what happens next?

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.