

The complaint

Mr A complains that Nationwide Building Society gave him wrong information about interest that would be charged on his credit card.

Mr A is represented by his wife in bringing this complaint. But for ease of reading, I'll refer to any submission and comments she has made as being made by Mr A himself.

What happened

Mr A has a credit card with Nationwide which he has held since 2008. Mr A rang Nationwide to see if he would be eligible to transfer a balance from another providers credit card to his Nationwide card. Mr A passed the phone to his wife after he had completed security with Nationwide and she was told Mr A was eligible for a promotional balance transfer offer, which was for 18 months at 0% interest with a one off balance transfer fee.

Mr A's wife asked what would happen to any further spending on the credit card, and the call handler told her that would also be interest free for 18 months as long as Mr A made the minimum payment. Based on this, Mr A says he made purchases using the card, but he later found out the purchases weren't charged at 0% interest. Mr A made a complaint to Nationwide, as he wanted them to honour what the call handler said.

Nationwide partially upheld Mr A's complaint. They said they listened to the call on 14 May 2023 and the agent incorrectly informed Mr A's wife that Mr A was already in a 0% purchase offer, and it would end on the 3 July 2023. They also said that Mr A was promised a call back on a 31 July 2023 call, but there were no call backs recorded on their system. Nationwide paid £150 for distress and inconvenience to Mr A, applied a month's waiver to the interest, and they refunded £53.99 interest charged. Mr A brought his complaint to our service.

Our investigator did not uphold Mr A's complaint. He said the information given over the phone differed from that which had been communicated up to that point via the statements. He said as Nationwide had correctly communicated the interest rate for purchases via the statements, both before and after the phone conversation, it would be unfair to hold them to incorrect information they incorrectly gave on the phone call in question. He said the statements clearly stated that the interest rate on purchases was 9.9% and only the balance transfer had a 0% interest rate, so Mr A should've been aware of this. Mr A asked for an ombudsman to review his complaint.

What I've decided – and why

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

Mr A has made a number of points to this service, and I've considered and read everything he's said and sent us. But, in line with this service's role as a quick and informal body I'll be focusing on the crux of his complaint in deciding what's fair and reasonable here.

It's not in dispute that Mr A (and his wife) was given wrong information over the phone regarding a promotional interest rate. And Mr A acted in good faith on this incorrect information. Even when Mr A's wife clarified whether the promotional offer was for purchases also she was still given incorrect information. So I can understand why Mr A was distressed when he received his statements and saw that he was being charged interest for purchases when he thought he wouldn't be charged interest on the purchases.

I can see that a credit card statement was issued to Mr A dated 24 May 2023. And it would be Mr A's responsibility to view his monthly statement. The terms and conditions of his credit card, which I've looked at, which were in force at the time of the phone call state the following under section D (ii):

"We will provide you with a monthly statement, if there are transactions on your account. You must tell us immediately if anything on your statement is incorrect or if you do not receive it when you expect to, as you will still be required to make payments by the payment due date."

Mr A ought to have been aware based on the information given on the phone on 14 May 2023 that there was a disconnect between the information on the phone and the information on his statement dated 24 May 2023. I say this because his balance transfer shows on his transactions on this statement (on 16 May 2023). Page one of the credit card statement shows under the "Interest Summary" box that he has a "Promotional BT 18 Month Balance Transfer", the amount outstanding, and an expiry date of this promotional interest rate on 16 November 2024.

But that's not all the interest summary box showed. It also showed "Purchases". The purchases section showed the interest rate was 9.9%. It showed an outstanding balance of £1,413.20. There was no information in the interest summary box that there was a promotional interest rate for purchases. And Mr A's statement shows purchase transactions after the phone call he had with Nationwide on 14 May 2023. So I'm persuaded that when Nationwide issued the statement to Mr A on 24 May 2023 and he received it, this is the point that he ought to have been aware that either his statement was incorrect, or the information on the phone call was incorrect.

Based on the terms and conditions I've earlier highlighted, when Mr A received the statement, this is when he should have immediately told Nationwide the information was incorrect. But my understanding is that he didn't do this until July 2023. Between his May and June 2023 statement alone, the purchase outstanding balance had risen from £1,413.20 to £5,324.89.

Mr A's May and June 2023 statements show the last purchase was on 23 May 2023, but the next purchase after this is shown on 30 May 2023. So if Mr A had contacted Nationwide when he received the 24 May 2023 statement, then I would expect him to be told the reason why he had been charged interest on his purchases from 16-23 May 2023 (the purchases made after the 14 May 2023 call) was that he was given incorrect information and there was no promotional interest on his account for purchases at that time.

When Mr A did contact Nationwide about being charged interest, his outstanding purchase balance had nearly quadrupled between his 24 May 2023 statement and his 24 June 2023 statement, which could have been avoided (or at least Mr A would be in an informed position to continue making purchases knowing he would be charged interest on them), if Mr A had contacted Nationwide (as the terms state that he should) when he received his May statement and thought this was incorrect.

So I've considered what would be a fair outcome for this complaint. Nationwide caused Mr A

distress and inconvenience as a result of the incorrect information they told him on the call on 14 May 2023. And Nationwide have said that they can't evidence a call recording of Mr A being called back when they said they would, which would also cause him distress. Nationwide have paid Mr A £150 for distress and inconvenience and applied a month's waiver to the interest, and they refunded £53.99 interest charged.

I'm persuaded that this is proportionate for what happened. I say this as this is in line with what I would have awarded him if they hadn't partially upheld his complaint. This is because Mr A was caused distress and inconvenience as a result of Nationwide's actions. As Nationwide have already paid this, it follows that I don't require Nationwide to do anything further.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 29 March 2024.

Gregory Sloanes
Ombudsman