

## The complaint

Mr E complains about the actions of Nationwide Building society (Nationwide) in respect of his mortgage account from 2020 to the present date. He says this covers *“data breaches on multiple occasions, incorrect information on my credit report from 2020 to date, undue distress emotionally, financially and negligence for over 3 years and broken promises that were never kept to or upheld as per previous discussions held.”* He would like his credit file to be corrected, further compensation, and a refund of the valuation fees he'd paid - and lost - when trying to remortgage with other providers.

## What happened

Mr E and his then partner took out a joint repayment mortgage of £71,000 in 2006. In 2020 Mr E notified Nationwide that his then ex-partner had unfortunately passed away.

In January 2023 there was a transfer of equity of the property into Mr E's sole name.

But soon after Mr E complained that for the previous three years he'd been receiving letters addressed to his now deceased ex-partner at his address. He also complained that his credit file reflected that he was associated with the ex-partner at an address linked to his mortgage account – which he wanted removed. He said all these errors meant he'd had to pay higher interest rates on all his credit arrangements and was now being offered higher interest rates for his remortgage due to Nationwide's "negligence." He said these matters had also affected his health and caused him significant distress and worry.

On 12 January 2023 Nationwide apologised, explaining that it had amended the mortgage account upon notification of the death of Mr E's ex-partner, but this hadn't been fully resolved because of legal restrictions with tenants in common arrangements. However it accepted that Mr E's credit file had been affected by it sending letters which were for his attention to his ex-partner's representative's address instead.

It said it had updated the addresses to ensure correspondence was sent correctly going forward and had now amended the credit file. It offered Mr E £500 compensation as an apology.

In November 2023 Mr E complained that his credit file still showed an arrangement to pay, two mortgage accounts being displayed (incorrectly) and had only just seen the removal of his late ex-partner – despite this being agreed the previous year. He said he'd now lost a £500 fee he'd paid a broker who had been unable to secure mortgage deals for him due to the erroneous markers on his credit file and he'd suffered further distress and anxiety. Nationwide said it had requested that one of the mortgages should be removed from the credit file report but unfortunately the outstanding balance was showing as incorrect – which would be corrected the following month. It paid Mr E £500 compensation as a result. But it said it couldn't amend the credit file back to 2018 as it was obliged to reflect the correct position of the account and there had been arrears attributed to the mortgage account in Mr E's name going back to that date.

In December 2023 Nationwide paid an additional £250 compensation due to the delay in removing the account attributed to Mr E's ex-partner from his credit file. Later that month Nationwide reviewed the account further. It noted the periods when Mr E ought and ought not to have been in an arrangement with it and decided that it should award a further £100 for the delay in amending Mr E's credit file from 2020.

But Mr E didn't believe Nationwide had addressed his complaint fully, so he brought it to us where one of our investigators looked into the matter. He didn't think Nationwide needed to do anything further and thought the total compensation it had paid was sufficient. He also thought that, as there were arrears correctly recorded on Mr E's mortgage account and therefore his credit file, it was more likely than not that the problems he'd experienced with higher interest rates on his other credit facilities and difficulties in remortgaging were caused by those problems. So he didn't think Nationwide should have to refund any administration or valuation fees Mr E had lost in the process.

But Mr E didn't think we'd addressed all his complaint points. He said:

- His credit file still hadn't been amended as the late payment markers from May to December 2022 were still showing.
- We hadn't addressed the effect of this situation on his health, nor had we considered the Equality Act 2010.
- He didn't think the level of compensation offered in respect of GDPR matters was sufficient.
- We hadn't considered compensation for the numerous valuations he'd paid for mortgage deals which couldn't progress because of the markers on his credit file.

The investigator wasn't persuaded to change his view reiterating that:

- Nationwide accepted it made a mistake in its reporting to the credit reference agencies. But he thought Nationwide had done all it could to get the markers amended and removed from his file. However, he said there were markers which needed to remain on the account from previous arrears.
- The valuations were undertaken for the benefit of other lenders that Mr E has approached with a view to remortgaging. It wouldn't be fair to tell Nationwide to pay for these "third party" costs.
- He'd taken into account all the points Mr E had raised about his health, his vulnerabilities, and GDPR breaches – but he thought the compensation that Nationwide paid was fair and reasonable in covering all these issues.

Mr E wanted his complaint to be referred to an ombudsman – so it's been passed to me to review.

### **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.

And having done so I've reached the same conclusion as the investigator. I realise this is an outcome that will disappoint Mr E – and I have some sympathy for the difficulties he's experienced. But I think Nationwide has provided sufficient compensation for its errors here, so I'll explain my reasons.

Firstly, I want to assure Mr E that I've read and considered everything he's provided, and this includes recent correspondence from his broker.

However I should also explain that we're an informal dispute resolution service, set up as a free alternative to the courts. In deciding this complaint I've focused on what I consider to be the heart of the matter, rather than commenting on every issue raised by Mr E in turn. This isn't intended as a discourtesy to Mr E but it reflects the informal nature of our service, its remit and my role in it.

### Mr E's credit file

Much of Mr E's complaint is about the errors Nationwide made with entries on his credit file. He says this ranged from incorrectly reporting arrangements to pay, incorrectly reporting a mortgage account to which he wasn't attached, a failure to remove his late ex-partners name from their previous joint mortgage, and a failure to report incorrect entries in a timely manner.

I'll consider the impact these errors have had on Mr E later in this decision, but I was pleased to learn that Mr E has confirmed that his credit file has now been corrected and does now reflect his current position. So I won't make any further comments on the additional remedial steps Nationwide might have needed to take to correct Mr E's credit file.

Instead I'll look at the impact that Nationwide's errors and actions have had on Mr E and also consider his claim for costs that were incurred – and lost – when he tried to remortgage with other providers.

### Nationwide's action since 2020 and the impact on Mr E

Mr E says that over a period of at least three years Nationwide has made a number of mistakes with reporting incorrect information to his credit file and not acting correctly when he informed it that his ex-partner had passed away and needed to be taken off their joint mortgage. This also meant letters meant for him were sent out to other addresses and Mr E was then (incorrectly) linked to his ex-partners mortgage as well.

I don't take lightly the impact this would have had on Mr E – over a protracted period. I can imagine the upset caused to him with the letters being sent to representatives of his ex-partner and the frustration of continually having to report errors to Nationwide and the delays in then putting things right. I understand that Mr E had problems getting through Nationwide's security checks each time he called because he had to give his ex-partners (then deceased) details – which I can imagine caused him some considerable distress and frustration. It's only recently that Mr E has been able to confirm his credit file accurately reflects his financial position.

Mr E has told us in detail about how this has affected his health and caused him undue stress. He also thinks that Nationwide has breached GDPR and the 2010 Equality Act in dealing with him.

It's not for me to decide on breaches of data protection rules – that's for the Information Commissioner's Office to look at, if Mr E wants to contact that office about the matter. But I can consider the impact of any possible breaches.

Likewise it's not for me to decide if Nationwide has acted unlawfully – that's a matter for the courts – but I am required to take the Equality Act into consideration, if relevant, when thinking about what's fair and reasonable in the circumstances of the complaint.

However, there's no dispute here that Nationwide hasn't accepted full responsibility for each error Mr E has reported to it. And on each occasion Nationwide has tried to put things right as far as possible. The only explanation it tried to provide with respect to the delay in

removing Mr E's ex-partner from the mortgage was that as it was held as "tenants-in - common" that made things more difficult and led to delays. But I haven't seen any evidence that it suggested this might be the case to Mr E at the time of his request, so I don't think that holds up as mitigation.

The issue then, aside from the financial losses which Mr E has claimed and which I'll comment on later, is whether Nationwide has compensated Mr E adequately for the impact these errors have had on him. I understand Nationwide, since around January 2023, has paid Mr E £1,350 in total for each time it's had to correct an error or made further investigation for why its corrective actions haven't been carried out in a timely fashion. So I've thought carefully about this but, taking into account the significant impact this has had on Mr E, and the period over which it has continued, I've decided that Nationwide's payment is within the range I'd expect for such actions and errors and I've concluded that it's fair and reasonable in all the circumstances.

In his last submission to us Mr E said that Nationwide had offered him further compensation for its errors but having looked into this further this would appear to be in relation to a new complaint Mr E raised in April 2024 – which hasn't been considered as part of this complaint. So I can't offer Mr E any further guidance on that offer until that complaint is resolved, or he decides to escalate it to this service.

#### Mr E's claim for financial losses attributed to markers on his credit file

Mr E has told us that, due to the reporting errors on his credit file, he's incurred higher interest rates on some of his other credit facilities and has been unable to remortgage to other providers for more competitive interest rates. He says he's also paid for a number of valuations when trying to remortgage and would like the costs of them to be refunded.

And of course Mr E is right to suggest that the position with his credit file would have been a main consideration for other providers when they considered his remortgage applications. But I've been provided with screenshots setting out details of Mr E's joint mortgage with Nationwide back to November 2018. And I've seen that at that point there were arrears on the loan of £9,230.59. And although this amount was reduced over the next couple of years it still stood at £5,649.25 when the arrears were consolidated and added to the loan in 2022.

I'm unaware of the reason why the arrears developed or indeed why they were consolidated at the time they were, but the fact remains this level of arrears was significant and would have showed on Mr E's credit file for a further six years and been visible to the providers who Mr E had approached for remortgaging purposes.

I think it's more likely than not these arrears would have led to declining the remortgage applications, regardless of whether the other problems caused by Nationwide's reporting were also noted on the file. I note Mr E was refused a remortgage with Nationwide during this time and, as it would have been aware of the issues that it may have indirectly caused, would suggest the previous arrears were the most likely reason for rejection.

I have some sympathy for Mr E's position here as he's been caused a significant amount of distress and upset by Nationwide's errors which were through no fault of his own. I've said that I think Nationwide has paid sufficient compensation for these actions, but I can't reasonably say that Nationwide should refund any of the costs Mr E has incurred when trying unsuccessfully to remortgage, as I think he would have found himself in that position because of the significant arrears that had been reported on his credit file before Nationwide's unfortunate errors that would most likely have affected his credit file after 2020.

### **Putting things right**

I think Nationwide's payment of £1,350 for the impact its actions had on Mr E are fair and reasonable in all the circumstances of his complaint.

### **My final decision**

For the reasons that I've given I uphold Mr E's complaint against Nationwide Building Society in so much as the payment it has made is a fair resolution. If Nationwide hasn't made any of the payments that were agreed it should now make them.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 12 September 2024.

Keith Lawrence  
**Ombudsman**