

The complaint

Miss B complains that Nationwide Building Society ('NBS') should pay her more compensation, after it admitted poor service in relation to stopping her debit card and when it dealt with her complaint about what happened.

What happened

Miss B's debit card was unexpectedly declined whilst she was out shopping in July 2024. She straightaway contacted NBS to find out why her card had been stopped.

NBS said that the card had been marked on NBS' system as stolen although it wasn't clear why when Miss B still had it in her possession. But the call handler explained that she couldn't reverse this and a new card had to be ordered – which was done by another call handler.

Over the next few days, Miss B continued to phone NBS. She became increasingly frustrated when she was unable to get any clear explanation about why her card had been stopped. She raised additional complaints about the way she was treated by call handlers.

NBS upheld Miss B's complaint in part, saying it didn't agree that the initial call handler had made any error when speaking to her or that the person she spoke to in branch (who terminated her call) had been rude. NBS disagreed that her complaint hadn't been handled properly. But NBS said it was sorry that her card was reported as stolen and for the distress and worry this had clearly caused. NBS agreed that she'd been given some incorrect information about the allocation of her complaint and timescales, and NBS hadn't called her back after a call dropped when it should've done. In recognition of this, NBS paid Miss B £150 compensation by way of apology for its poor service and the inconvenience caused.

Miss B didn't feel this went far enough to resolve things and she brought her complaint to us. She mainly said that NBS hadn't explained why her card was stopped and reported stolen or given her any reassurance that the same bank mistake wouldn't happen to her again. She said the low amount of compensation didn't reflect the upset and distress caused and that she would like a higher amount of compensation.

Our investigator thought that NBS had dealt with Miss B's complaint fairly and reasonably overall and didn't recommend that it needed to do anything more.

Miss B disagreed with our investigator, mainly saying:

- NBS had provided contradictory information with one person suggesting that records confirmed her card hadn't been reported stolen via online banking and that there were no other alerts to explain what happened – whilst someone else blamed human error.
- The investigator hadn't highlighted this discrepancy - and his view that NBS had provided a suitable assurance that the same thing wasn't likely to happen again wasn't supported.
- The investigator should have mentioned that Miss B had informed him that she'd decided to switch out of NBS after receiving its response to her complaint.
- She didn't feel that the investigator had fully appreciated how what happened had affected her, saying that the impact of NBS' mistake caused her '...substantial distress, upset and worry.' She said '...There was a serious disruption to daily life from 7th July when my card was reported stolen. I received my new bank card on 12th July. I was left in a vulnerable situation without money and no branches of Nationwide were open on Sunday 7th July.'
- She also wanted to complain about NBS' poor response to her complaint.

The complaint has come to me for a final decision.

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.

Having thought about everything I've seen and been told, I've independently reached the same overall conclusions as our investigator. I'll explain why I say this.

I completely understand that unexpectedly having her card declined when out shopping was an unwelcome and embarrassing experience for Miss B – made worse by the fact that this happened on a Sunday, when NBS' branches were closed and she had no alternative way to pay for food shopping or put fuel in her car. So I can appreciate why Miss B feels strongly that NBS let her down in terms of the service she was entitled to expect. As I understand things, the crux of Miss B's complaint is that she doesn't feel £150 compensation is adequate redress and she wants a clear explanation about why her card was stopped and who was responsible for this.

Miss B also wants to complain about the way NBS dealt with her after she complained. The industry regulator, the Financial Conduct Authority (FCA), says our service can only look into complaints about regulated activities and complaint handling isn't a regulated activity. We can however consider the customer service Miss B received. So I've kept this in mind when making my decision.

I've approached this complaint in a way that reflects the informal service we provide. My role is to consider the evidence presented by the parties and reach an independent, fair and reasonable decision based on the facts of the case and the evidence provided by both sides.

It's not part of my remit to carry out a forensic examination into what happened or find answers to all of Miss B's questions. It remains unclear exactly why NBS' system flagged Miss B's card as stolen, when it was still in her possession. I'd expect NBS to make all reasonable enquiries in this situation - and I am satisfied that it has done so. I think the suggestion that this was human error was simply one interpretation of what must have happened when there is nothing recorded on NBS' system records to explain how this marker could have been triggered. I do understand how frustrating it must be not to have a definitive explanation for something that had such significant consequences for Miss B. But it's agreed that Miss B didn't do anything to cause this problem and NBS has accepted that something went wrong at its end – beyond that, it can't say what happened. As a result, Miss B no longer felt that her account was safe and she no longer banks with NBS. But no financial business can provide an assurance that there will never be a problem with an account when, inevitably, things do go wrong from time to time.

I must decide whether NBS has responded to Miss B's complaint in a fair and reasonable way overall. So that's the focus of my decision.

NBS has acknowledged that not all its call handlers provided the level of service Miss B was entitled to expect. But I think it's also fair to say that mostly the call handlers Miss B spoke to tried to assist as best they could. It was difficult for them to reconcile what Miss B was telling them with the limited information shown on NBS' system. It was evident that her card was stopped as it had been flagged as stolen but unclear why or how that information was showing on the system. I think that explains some of the lines of questioning that upset Miss B – for instance, whether she might accidentally have frozen her card herself, using the mobile banking app. And I don't think it was unreasonable when a call handler terminated one particular call with Miss B after due warning and when it was clear that further discussion was unproductive and the call handler had no further information to impart. I don't think it was unreasonable that some of Miss B's requests to speak to different people weren't actioned given that she was calling repeatedly and NBS had made her aware that her complaint was being investigated.

But NBS has accepted that it didn't respond to Miss B as helpfully as it could have done when her card was stopped and she complained. So as NBS has upheld these key aspects of her complaint, I don't need to say more about what happened.

I will concentrate on the question of fair redress, which is one of the main reasons Miss B has requested an ombudsman referral.

Our approach to redress is to aim to look at what's fair and reasonable in all the circumstances of a complaint. One way we would try and do this impartially here is to put Miss B in the position she'd be in if NBS hadn't been responsible for the poor service issues it has admitted. So my starting point is to think about the impact on Miss B of what happened.

I haven't been provided with anything to show that Miss B is out of pocket as a result of any poor service on the part of NBS. But fair compensation also needs to reflect the wider impact on Miss B of NBS' service failings.

NBS' admitted poor service was undoubtedly frustrating and inconvenient for Miss B. At the time, she didn't know how she would manage financially without a debit card. Fortunately, she was able to call on family assistance and supplied with cash to see her through the week until her new card arrived. And NBS made her aware that in the week she could go to a branch with identification and obtain money over the counter – which I think was fair and reasonable, although I appreciate that was inconvenient for Miss B. But the ombudsman approach to redress is to also take into account what Miss B could have done to mitigate any loss. And we expect consumers to take reasonable steps themselves to limit the impact of things going wrong. NBS supplied Miss B with her new debit card within five days – which is a reasonable timescale. And she was able to start using this immediately.

An award should reflect the extent of the poor service and the impact on the consumer, in terms of trouble and upset and how long it took for the situation to improve. It's important to remember that using financial services won't always be totally hassle free. Miss B was able to access alternative funding the same day (and so able to avoid the inconvenience of having to take time away from work to go to a branch) and she had her new debit card within five days. She switched away from NBS and moved her account elsewhere, but that was her choice, so this isn't a reason for me to award additional compensation. And just because NBS partly upheld Miss B's complaint, it doesn't necessarily follow that we would award any more significant compensation.

I think the £150 compensation paid by NBS is fair and reasonable in all the circumstances here and NBS doesn't need to do anything more to put things right. It reflects the significant upset and inconvenience Miss B was caused. Beyond this, I don't agree that Miss B's experience warrants further compensation. I am satisfied that £150 matches the level of award I would make in these circumstances. It is in line with the amount this service would award in similar cases, and it is fair compensation for Miss B in this particular situation.

My final decision

My final decision is that I do not uphold this complaint as I am satisfied that the compensation Nationwide Building Society has already paid Miss B is fair and reasonable.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 4 November 2024.

Susan Webb
Ombudsman