

Nationwide Building Society

From: Alistair Thompson
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Nationwide Building Society's breach of Article 4 of the Payment Protection Insurance Market Investigation Order 2011

I am writing to you on behalf of the Competition and Markets Authority (CMA) concerning a breach by Nationwide Building Society (Nationwide) of the [Payment Protection Insurance Market Investigation Order 2011](#) (the Order).

Article 4 of the Order requires that information on a policy is provided to customers in an Annual Review Statement. This must contain important information about the customer's policy, and the loan that the policy relates to. Nationwide provided incorrect information in one field in the Annual Review Statement for 131 customers over a period of around ten years.

The breach of Article 4

Between April 2012 and December 2023 131 customers holding Mortgage PPI policies with Nationwide were given incorrect information in one field of their Annual Review Statements. The field which provided the amount of monthly payment covered by the policy only contained the Mortgage element of cover. Any additional cover the customer held was not included in that field.

The breach was caused by an error in the way its systems were set up following the introduction of the Annual Review Statements.

The CMA's concerns

The CMA is concerned by the nature and duration of this breach, as it demonstrates that Nationwide had either not understood fully the systems it put in place or had not verified the accuracy of those systems fully in delivering compliance with the Order.

Moreover, this breach could have adversely affected customers. Providing customers with incorrect information on what a policy covers could have led them to make different decisions about keeping their policy compared to if they received the correct information.

Providing all customers with accurate and complete information on their policy is an important element of our remedies to address the concerns found in the Payment Protection Insurance [Market Investigation](#). This measure, in combination with other remedies, was designed to make it easier for policyholders to understand the costs of PPI and if appropriate, to switch provider.

Nationwide is exiting the PPI market

I note that the breach of Article 4 was self-reported by Nationwide and that it has taken steps to end the breach and to prevent a recurrence:

- Nationwide has withdrawn all its PPI products (in March 2024).
- All affected customers except one have now discontinued their policies, and the one remaining customer has had the Annual Review Statement corrected.
- The learning from this issue will be shared within Nationwide in case it has read across to other Nationwide products.
- Nationwide will write to 13 former policyholders who may have taken a decision to end their PPI policy on the basis of the incorrect information.

CMA assessment and next steps

Given that Nationwide has exited the PPI market (in March 2024), the CMA does not consider it appropriate to take formal enforcement action.

The public version of this letter has been copied to the Financial Conduct Authority.

Yours sincerely

Alistair Thompson

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