

## **The complaint**

Mr K complains Nationwide Building Society failed to offer him support to address his gambling, and they later froze an account and then closed all his accounts.

## **What happened**

The facts below repeat much of what I said in my provisional decision. It is however necessary to repeat them again for the purposes of issuing a final decision.

Mr K held several accounts with Nationwide, including a basic account and a current account.

Sadly, in October 2019 his fiancée, and mother to his son, passed away, which resulted in him receiving a large cash pay-out.

Mr K says the impact of losing his fiancée exacerbated his gambling and led to him suffering badly with depression and anxiety. He self-harmed, and at one point planned to spend all the funds he received and commit suicide. His memory has also been affected. His father also passed away in October 2020, which further impacted on his well-being.

Nationwide contacted Mr K in early February 2020 about payments out of his basic account. He was unsure about several payments. He said he didn't know whether some payments were to payment processors used by online gambling merchants, and while he recognised certain gambling merchants, he didn't recognise some of the amounts as he gambled in round numbers.

Mr K rang Nationwide several times during February 2020 and in April 2020 about the above. He revealed he was experiencing a gambling problem, which had been made worse by the loss of his fiancée and the sudden access to a large amount of money.

Nationwide offered to put Mr K in touch with their specialist support team who might be able to help. Mr K expressed his interest and said he had tried to get gambling payments blocked six months before in a Nationwide branch but was told it wasn't possible. He said he wished he had been offered support earlier as he might've avoided spending a large amount of money on gambling. He told our service that he went to the branch in July 2018 and August 2019 to request blocks on gambling payments on his accounts.

Nationwide's specialist support team tried ringing Mr K several times in February 2020 to discuss how they might be able to help, but they couldn't get in touch with him. They sent him a follow up letter providing their telephone number.

Nationwide restricted Mr K's current account in August 2020 which prompted a complaint from him. Their final response letter said the account was being reviewed by their special investigations team, and the team wouldn't contact him until their investigation was complete. Mr K complained that he was meant to be given support during this time. He was still able to use his basic account.

Nationwide decided to immediately close Mr K's accounts in early December 2020. They

sent him a letter to confirm what they had done. Mr K rang them to ask why his accounts were closed. The person he spoke to said they had received a fraud report about a scam. Mr K said payments he received from third parties were winnings from poker, and he didn't know they represented fraud. Nationwide said Mr K could still provide proof to show the payments were poker winnings, and they could potentially reconsider whether to offer him an account, but his accounts would remain closed for now.

Mr K feels he should have been involved in whatever investigation took place and contacted before the decision was made to close his accounts. He also says there wasn't enough contact and support from Nationwide, which was made worse by the impact of the coronavirus and the national lockdown during 2020. He feels there needs to be a culture change at Nationwide to help support vulnerable customers like himself and to treat them fairly.

I issued a provisional decision on Mr K's complaint earlier this month. I was inclined not to uphold the complaint. I said:

"Mr K has been through a very difficult time. I was sorry to hear about the loss of both his fiancée and his father and how this affected him. I've considered what he's said carefully. In particular, I've considered whether Nationwide should've understood how vulnerable he was earlier than they did.

I have separated my findings on Nationwide's actions between two different periods: before Mr K received the large sum of money in January 2020 and afterwards. I've also separately addressed Nationwide's actions in blocking one of his accounts and terminating their relationship with him without notice.

#### *Mr K's gambling spend prior to January 2020*

On reviewing Mr K's activity on his basic account during 2018 and 2019, a pattern emerges of him receiving his salary, sending regular payments to third parties, and then spending the significant part of what was left on gambling.

Nationwide say they now have a clear policy in place to address gambling problems experienced by their customers. But they've confirmed they didn't have a specific policy in place to identify gambling spending which didn't involve lending during 2018 and 2019. But Nationwide still had a responsibility to pick up on account activity that might indicate potential customer harm or vulnerability. And, regular and significant gambling spend is an established indicator that someone might be vulnerable and at risk of financial harm.

The amount of funds Mr K regularly spent on gambling was significant - he often spent hundreds of pounds each month on online gambling within a short period until he had a minimal balance. I find Nationwide ought to have identified his spending as an indicator of potential vulnerability and they should've tried to contact him in case he needed help. But, importantly, I must also consider what if anything would've happened if Nationwide had contacted Mr K.

I cannot know what Mr K would or wouldn't have done had he been contacted about his gambling by Nationwide during 2018 and 2019. So, I need to decide whether it's more or less likely that he would've taken up an offer of support based on all the information I've available.

The wider information available to me shows Mr K raised a fraud claim with a different account provider in early 2019. He told that provider that his young son had set up gambling

accounts and gambled using his account without his permission. He said he didn't hold gambling accounts. Clearly this contradicts what he is now saying about his gambling. So, on balance, it's not evident to me that Mr K would have acknowledged a gambling problem earlier than he did or that he would have engaged with Nationwide had they contacted him proactively.

Mr K says he went into a Nationwide branch to get gambling payments blocked on his accounts in 2018 and 2019, but the staff he spoke to said they couldn't help. It's possible he asked for help, but I must also consider what Nationwide has said.

Nationwide say their staff have no recollection of him asking for help, and they were trained to pass matters to the specialist support team. Nationwide have records of when Mr K attended branch, which differ to when Mr K said he attended branch. Those records don't indicate he asked for help or that gambling was discussed on those occasions. So, on balance, I find Nationwide's position persuasive and it's less likely that Mr K asked for support in the way he remembers.

#### *Mr K's gambling spend from January 2020.*

I'm satisfied Nationwide offered Mr K appropriate support after he received the large sum into his account. I'll explain why.

I've listened to several calls Mr K had with Nationwide from February 2020. Most of the conversations regarded restrictions Nationwide placed on some of his cards to check particular payments. He raised concerns about some of the payments because he didn't recognise the sums that were debited (as he gambled in round numbers) and some of the payee names weren't immediately recognisable. I find the following is clear:

- Mr K revealed he had a gambling problem early on. He said this had worsened following receipt of the large sum of money. When the advisor said they could put him in touch with their specialist support team, he said he tried having gambling payments blocked in branch six months before but was told that they couldn't do this.
- Nationwide made a referral to their support team to see what help they could provide Mr K. Their records show the team called him three times during February 2020, but they could only get through to him on the first occasion. Unfortunately, Mr K couldn't talk at that time because he was in the presence of his son, which is understandable.
- The support team sent him a letter in February 2020 after they couldn't get hold of him. The letter gave him their number so he could ring them. Mr K says he didn't receive a letter. But although he said his sister opened his letters on his behalf during this time, and she would have told him about it, I find the letter was most likely sent, so Nationwide were trying to help.
- Mr K rang Nationwide later in February 2020. The advisor gave him the support team's number to ring, as he had rung outside of the teams' hours of operation. Mr K indicated he would ring the team but failed to do so.
- Mr K rang Nationwide again in April 2020. During this call he said he hadn't been able to ring Nationwide due to his son being with him. He also said he had needed a good six months after his fiancée's passing, and he was now ready to address matters.

Since the last time Mr K had spoken to Nationwide they had blocked internet spending on his accounts. This was due to further payments being flagged by their

systems. The advisor went through the payments and confirmed the reason why some of the payments weren't round numbers was because they reflected non-sterling payments made to companies abroad. They agreed to keep the block on internet payments to stop him gambling online, and they also provided the specialist support team's number again.

I'm satisfied the above indicates Nationwide actively tried to offer Mr K help, and they did agree to retain a block on his accounts to prevent internet spending, which would have included online gambling payments.

Mr K's contact with Nationwide was sporadic, which is understandable given his bereavement. But I don't find Nationwide treated him unfairly. And, although Nationwide's final response letter contained a factual error, Mr K was aware he could contact the support team and he had their telephone number, so I am not awarding him compensation.

#### *Nationwide blocking the current account and terminating its relationship with Mr K*

Nationwide have important legal and regulatory responsibilities to carry out when providing accounts. They may need to review accounts and block them to ensure they comply with those responsibilities. I have considered Nationwide's reasons for conducting a review and I find they were understandable and blocking the current account was a proportionate action. The terms and conditions also permitted them to block the account.

I appreciate Mr K wanted to be involved in Nationwide's investigation, but that was Nationwide's decision to make. It's not always the case that they need information from a customer when reviewing an account, and sometimes there is a good reason not to discuss their investigation with a customer. On balance, I'm satisfied Nationwide didn't do anything wrong when blocking the account.

Nationwide have a broad discretion to terminate a customer relationship, so they were not obliged to keep Mr K as their customer. Our service will generally not interfere with the exercise of that discretion unless the reasons behind terminating a relationship are likely to be unlawful. I have considered Nationwide's reason(s) and I find they were legitimate. As they said to Mr K, they had received a report of someone being scammed into trying to send money to his account.

Nationwide do, however, need to apply the terms of Mr K's account correctly when deciding to close accounts. Here, they closed his accounts with immediate effect, and only specific terms apply in these circumstances. I have considered carefully whether Nationwide had sufficient grounds to apply the immediate closure terms, and I find they did.

Mr K denies having any involvement in a scam, and this may be the case. But, considering the nature of the report Nationwide received and the wider information available, I understand their concern. And, I find they could fairly close his accounts without notice and they didn't need to ask him further questions. Also, even if Nationwide had given Mr K a longer notice period, it appears he had multiple other accounts he could use to carry out everyday banking, so I am not persuaded the closure of his accounts resulted in a financial loss he couldn't otherwise take action to avoid."

Since my provisional decision Nationwide have accepted the outcome I reached. Mr K via his representative hasn't provided further information or evidence for me to consider within the deadline I set, which was extended. I find Mr K has had a reasonable amount of time to provide his response, so I have decided to make a final decision based on the information and evidence I have currently.

### **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.

I've decided not to uphold Mr K's complaint for the reasons I gave in my provisional decision. Those reasons are stated in full above and form my findings for this final decision.

In summary, I find Nationwide ought to have identified Mr K's gambling spend earlier than January 2020, but I find it less likely Mr K would have taken up an offer of support. And, I find Nationwide made sufficient efforts to try to support Mr K with his gambling after January 2020, and they were able to block an account and then close his accounts in the manner they did.

I am not directing Nationwide to pay Mr K compensation.

### **My final decision**

I have decided not to uphold Mr K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 24 August 2022.

Liam King  
**Ombudsman**