

The complaint

Mrs F complains that Nationwide Building Society (Nationwide) wouldn't allow her access to a branch.

What happened

Mrs F and her husband applied to emigrate to New Zealand and as part of that they needed to transfer their investment accounts into joint names or into the sole name of Mr F. Mrs F had a Loyalty ISA in her own name with Nationwide, with a balance of £32,851. She and her husband visited a branch of Nationwide on 19 August 2020 but were refused entry. On 21 August 2020 Mrs F wrote to the Nationwide branch with her passbook asking for the ISA to be closed. Nationwide said this couldn't be done by post and she needed to visit a branch or do that online. Mrs F visited the branch again on 1 September 2020 and closed her account. Nationwide launched their 'Mutual Reward Bond' on 29 September 2020. This was for existing customers and had a maximum balance of £10,000 and was fixed for 18 months. It had a guaranteed rate of 0.5% per annum. There was a prize fund draw with a prize of £10,000. It was withdrawn from sale on 10 December 2020.

Mrs F complained. She said she wasn't allowed into the branch on 19 August 2020 – the doorman said that Nationwide weren't accepting new account applications at that stage (due to Covid restrictions). She said that what she wanted to do was to transfer the Loyalty ISA into the joint names of herself and her husband but leave a small balance in her own name. She said that when she was refused entry to the branch, she was forced to close the account completely, which is what she then did. She said she was inconvenienced because she wrote to Nationwide on 21 August 2020 to close her account – and then she was told to do that by visiting the branch – which she had already done.

So – Mrs F said there were three main consequences of what had happened: 1) the emigration application to New Zealand was delayed 2) she lost interest and 3) she wanted to apply for Nationwide's 'Mutual Reward Bond' which was launched on 29 September 2020 – but couldn't as she had closed her account. Separately, she complained that Nationwide had emailed her – but this couldn't be correct as she had never advised them of an email address and didn't use a computer or mobile phone.

Nationwide said that during the pandemic lockdown, they asked customers to only visit branches if it was essential. They accepted that Mrs F may have been turned away incorrectly on 19 August 2020. When Mrs F later visited the branch – on 1 September 2020, a replacement passbook was issued and her ISA was closed and the balance given to her by cheque. During her visit she didn't ask about transferring to a joint account. As such, she didn't qualify for the Mutual Reward Bond – as she wasn't a customer when it was launched. On the matter of the email address, this had been held on their system since 2013, and was provided to them by Mrs F. Because they made an error in refusing entry to the branch on 19 August 2020, they sent a cheque for £50 to Mrs F.

Mrs F brought her complaint to us. Our investigator said she was persuaded that Mrs F wanted to transfer her ISA into the joint names of herself and her husband and given that Nationwide weren't opening new accounts at the time, it was likely that she was turned

away. And because of that, she then closed her account. But that didn't make any difference, because the terms and conditions of the ISA said that an ISA couldn't be held in joint names – so it wouldn't have been possible to do so. She couldn't see there was any lost interest – as Nationwide were paying 0.8% and the building society which Mrs F wanted to transfer the money to was paying 0.25%. Because Mrs F closed her account on 1 September 2020 – she didn't qualify for the Mutual Reward Bond. On the matter of the email address – she could see that it was being used by the New Zealand emigration authority, and so it looked like it was a family email address. During our investigation, Nationwide agreed to pay a further £50 in compensation for the inconvenience suffered by Mrs F when she was refused entry to the branch.

Mrs F responded and said had she been allowed access to the branch on 19 August 2020, she would've transferred most of the £32,851 out of Nationwide and left the balance in an account with them. So, she would then have been able to apply for the Mutual Reward Bond as an existing customer. She reiterated that her application to emigrate to New Zealand had been delayed because of what happened. And so, the proposed compensation wasn't enough.

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.

Nationwide have accepted that Mrs F was probably incorrectly refused entry to the branch on 19 August 2020. They were advising customers only to visit branches for essential business and to use online banking and ATMs instead. Mrs F has given a persuasive account of what happened outside the branch when she wanted to visit it – and Nationwide have accepted what she's said.

And so – given that, I must decide on what the consequences of that were. Mrs F has said she needed to transfer all of her and her husband's investments into their joint names or the sole name of her husband. This was needed to support their application to emigrate to New Zealand. Mrs F has shown us the correspondence to confirm this to be the case. And so, it seems to me that she wanted to transfer her Nationwide ISA into joint names also. But the terms and conditions don't allow a Loyalty ISA in joint names – so even if she had been able to get into the branch it wouldn't have been allowed. And so – she would've had to have withdrawn all the money from the ISA anyway – and put it into a joint account either with Nationwide or another bank. Nationwide say that when Mrs F visited the branch again on 1 September 2020, she just closed the account and there wasn't a discussion about such a transfer. Mrs F said – in October 2020 in her two letters of complaint - that she intended to leave a small balance with Nationwide (to apply for the Mutual Reward Bond which was launched for existing customers on 29 September 2020). I accept that was her intention.

Looking at the consequences of what happened – Mrs F says she lost out on interest. I've considered this. The Nationwide ISA paid 0.8%p.a. And the building society account where she transferred the money to paid less - 0.25%p.a. Mrs F told us that. So – there wasn't any loss of interest there.

Mrs F says she would have opened a Mutual Reward Bond. The maximum balance allowed was £10,000 and the interest rate was 0.5%p.a. It was fixed for 18 months. It paid less than the Nationwide ISA and therefore there wasn't any loss of interest to Mrs F. Of course, she would've had the chance to win £10,000 in a prize draw – but I don't think it's reasonable for me to say she would've won that prize.

Turning to the delay of her emigration to New Zealand – the delay was for two weeks – from

19 August 2020 to 1 September 2020. Mrs F showed us correspondence from the New Zealand emigration authorities which said all the necessary papers had been received by 11 September 2020. So – the delay was a short one. And of course, I think it's fair to say that the emigration process can be very slow – Mrs F showed us another email which said their application was in a queue, to be looked at in April 2022. And so – I don't think I can reasonably conclude that a two-week delay in that context was significant.

Mrs F has also said that Nationwide added an email address to her account without her agreement. Nationwide said it was added in 2013 – but they didn't have a record of who advised it to them, given how long ago it had been. But I also saw that the New Zealand emigration authority were using the same email address – and so it does appear to be a known address that Mrs F and her husband use. So, I'm not persuaded that there could've been any financial information sent to a wrong email address by Nationwide. And so – I don't think Nationwide were at fault here.

I can appreciate that Mrs F's experience with the branch was not good, and that she was inconvenienced by having to visit it twice to deal with her ISA account. And I agree that Nationwide should pay some compensation for that. They've agreed to pay another £50 for what happened. And I think that's the right thing to do here.

My final decision

Nationwide has already made an offer to pay £50 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that Nationwide Building Society should pay £50. This is in addition to the £50 already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 31 May 2022.

Martin Lord
Ombudsman