

The complaint

Mr R complains that Nationwide Building Society didn't do enough to protect his funds from being spent on gambling.

What happened

Mr R held a current account and a joint savings account with his late wife with Nationwide.

When Mr R's late wife passed away Mr R transferred a large proportion of money from the savings account over a period of a month into his personal account which he then withdrew in cash and spent on gambling.

Mr R then complained via a personal representative that Nationwide hadn't done enough to protect the funds in the savings account. They said Nationwide should have noticed the activity on the account was unusual and done more to try and stop the funds being spent on gambling.

Nationwide didn't agree. It said it had asked Mr R what the funds were for and was told to was to top up his current account to use for bills. It said it didn't consider it a cause for concern because Mr R was transferring money from his own account, to his own account. And it said it didn't consider the cash withdrawals a cause for concern either, because these types of transactions are considered secure.

Mr R didn't agree and brought his complaint to us. The representative also complained about how distressing the whole situation had been for them and wanted compensation for that too.

An investigator here didn't uphold the complaint. They thought that Nationwide had followed its processes and found the reasons it gave for not intervening with the transfers reasonable. They also explained they couldn't look into the distress caused to the personal representative, as Mr R, not they, were the eligible complainant bringing the complaint to us.

Mr R didn't agree and maintains Nationwide should have done more. They've asked for an ombudsman's 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 done so, I'm not upholding this complaint. I understand this will come as a huge disappointment for Mr R. I'll explain my reasoning.

- Banks have a responsibility to safeguard their customers and their money. Each bank may have different processes in place and procedures they follow. I can consider whether they followed those processes, and whether there was anything more they should have done.

- Nationwide say when asked the reason for the transfer, Mr R said it was to top up his current account. Mr R's rep thinks this is unlikely and that in any event Nationwide should have known this was untrue because they could see the activity on the current account. The amount transferred does seem excessive to top up an account to cover bills, but it's not clear what bills Mr R was referring to, or how long he intended to keep the current account topped up for. Unfortunately, I don't think we're ever going to find out exactly what he told Nationwide at the time. But on balance, based on the accounts from staff, I think it's likely Mr R was questioned over the purpose of the transfers, and gave Nationwide a reasonably plausible explanation.
- Nationwide didn't consider Mr R transferring funds for his savings account to his current account a cause for concern. They were both his accounts. And after the passing of his wife, the joint savings account became Mr R's sole responsibility. I don't find that unreasonable.
- The amount of transfers over a month was unusual. Mr R went into branch on four occasions and transferred a considerable amount to his current account during that time. I think Nationwide could have possibly done more to find out what the funds were being used for after the first large transaction. But I'm not persuaded any further questions to Mr R would have resulted in a different outcome. I think had it asked or probed Mr R further on what the funds were being used for, it's unlikely Mr R would have revealed what they were being spent on. And ultimately Mr R can move money from the savings account which became his sole responsibility after the passing of his wife, to his own account.
- I also find it reasonable that the ATM withdrawals weren't flagged or blocked either. Nationwide has explained that these are typically safer types of transactions because they require both the card to be present, and the PIN to be entered to withdraw the money. I find that explanation reasonable. And I find it unlikely that if Nationwide did ask Mr R what these transactions were for, that he would have said they were being used on gambling. As the transactions were cash withdrawals, Nationwide had no way of knowing what the money was being spent on.
- Based on the information Nationwide was likely provided, and the explanation of why the transfers and withdrawals weren't flagged, I don't think Nationwide was reasonably aware the funds were being spent on gambling, nor do I think it reasonably should have known based on the information available to it at the time. I think it could, and perhaps should have done more to question Mr R after the first withdrawal, but I don't think in doing so Mr R would have been completely forthcoming with what the money was being spent on so don't think Nationwide were in a position to block the transfers or the cash withdrawals.
- I'm unable to consider any distress caused to Mr R's representative in this complaint, as Mr R, not they, are the eligible complainant.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 23 August 2022.

Joe Thornley
Ombudsman

