

The complaint

Mr J is unhappy that Nationwide Building Society refused his instruction to transfer money to his girlfriend's bank account overseas and the service he received from Nationwide surrounding that request.

What happened

Mr J instructed Nationwide to send £400 to an overseas bank account belonging to his girlfriend, who is herself an overseas national. Nationwide were concerned that Mr J might be the unwitting victim of a 'romance scam', and asked Mr J to provide evidence to confirm his relationship with his girlfriend and the legitimacy of the transfer request.

Mr J provided evidence to Nationwide as requested, but Nationwide didn't feel this evidence was sufficient to reasonably confirm that Mr J wasn't being scammed, and so they declined to complete the transfer. Mr J wasn't happy about this, or with the service he'd received from Nationwide surrounding his request to send the money overseas, so he raised a complaint.

Nationwide looked at Mr J's complaint. But they didn't feel they'd acted unfairly towards Mr J in how they'd managed the situation and noted their obligations to protect their customers from potential scams. Mr J wasn't satisfied with Nationwide's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they felt that it had been reasonable for Nationwide to not complete the transfer because of the concerns they held, and so they didn't uphold the complaint. Mr J remained dissatisfied, so the matter was escalated to an ombudsman 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.

I issued a provisional decision on this complaint on 6 January 2023 as follows:

Businesses such as Nationwide have an obligation to protect their account holders' money, including where they reasonably believe that an account holder may be in the process of falling victim to a scam. And, where businesses hold such concerns – as Nationwide did in this instance – the obligations inherent upon them, as explained above, mean that the business may decline to complete an instructed transfer until it's evidenced by their customer that the transfer instruction is legitimate and that a scam isn't taking place.

In this instance, Mr J asked Nationwide to send £400 to an overseas bank account to enable his girlfriend to pay for a travel visa to come and visit him in the UK. This request has all the hallmarks of a well know type of scam called a 'romance scam', whereby a person is convinced to send money overseas to a romantic interest, often with the promise that the money will be used by the romantic interest to travel to visit

the person sending the money, but where no such travel occurs and instead the romantic interest either disappears or requests more money. And indeed, it's notable that in this instance that Mr J had already sent money to his girlfriend overseas but her initial visa application had been declined and so Mr J was now being asked to send additional money.

As such, I'm satisfied that it was reasonable for Nationwide to hold the concerns about Mr J's transfer request that they did, and to require Mr J to 'validate' his request before they would consider completing it.

But while I'm satisfied Nationwide weren't acting unfairly in having the concerns that they did, I've also considered whether Nationwide acted fairly towards Mr J – and provided a reasonable standard of service to him – while acting in line with those concerns. To that effect I've considered the sequence of events that took place here. And my understanding of those events is as follows:

Mr J made his initial request to send the £400 overseas on 26 October 2021, when he visited a Nationwide branch. The branch staff discussed the matter with Mr J while he was there, but Mr J left the branch believing that his instruction to send the £400 would be completed. However, it's evident from Nationwide's internal notes that the branch staff Mr J spoke with had concerns that this might be a 'romance scam', and so they referred the matter to the relevant Nationwide department for their consideration. This seems reasonable to me, and I don't feel that the branch staff did anything wrong by holding those concerns or escalating the matter as they did.

A few hours after leaving the Nationwide branch, Mr J received a call from the branch he'd recently visited advising that Nationwide had concerns about his request and that because of these concerns the transfer hadn't been completed and that his account was now restricted until these concerns could be addressed.

Following this conversation, Mr J expected to be contacted by the Nationwide department that had implemented the block on his account, but no immediate contact from that department was received. Mr J therefore went into branch again a few days later, on 29 October 2021, and tried to instruct the transfer again, but was told that his account was restricted because of potential scam concerns and that the relevant Nationwide department would be in touch with him shortly.

But Nationwide didn't contact Mr J to discuss the unblocking of his account in a timely manner, and only contacted Mr J on 9 November 2021 – two weeks after Mr J's account was initially restricted by Nationwide on 26 October 2021.

When Mr J did speak with Nationwide on 9 October 2021, the agent he spoke with had the benefit of internally noted instructions which prompted that agent to ask certain things. This included a detailed explanation of Mr J's relationship and history with his overseas girlfriend, as well as a specific request to ask Mr J to provide a photograph of his girlfriend holding her passport, so that it could be confirmed Mr J was asking to send money to the correct person.

Mr J then asked his girlfriend to take a photograph as requested and sent it to Nationwide. But a later internal Nationwide note states that the evidence Mr J has provided – a photo of a woman holding her passport – doesn't prove that Mr J was in a relationship with that person and so wasn't deemed sufficient. And this is despite Nationwide specifically asking for the photo approximately a week earlier.

This wasn't the end of what happened here, but rather than list in detail the events that followed, I'll state simply that it's notable that Mr J's account remained blocked for several weeks, during which time he had many conversations with Nationwide which it's obvious Mr J found to be increasingly frustrating. This ultimately led to Mr J choosing to end his relationship with Nationwide.

So, while I feel that it was reasonable for Nationwide to have had the concerns they did about Mr J's request to transfer money overseas, and that it was fair for them to take the initial action in regard to that transfer that they did – including restricting his account and requiring further information from Mr J – I don't feel that Nationwide acted fairly towards Mr J in regard to how they managed the situation following the blocking of his account.

This is because I don't feel that Nationwide showed a reasonable degree of urgency in helping Mr J remove the blocks on his account that Nationwide had put in place. And I also feel that Nationwide displayed a clear lack of internal coordination as to what was required of Mr J to remove those blocks, which unfairly prolonged this matter and understandably exacerbated and frustrated Mr J.

Had Nationwide contacted Mr J shortly after placing the block on his account and given him a clear understanding of why the block was in place and what was required from him to remove that block, then I wouldn't be provisionally upholding this complaint in Mr J's favour.

But because Nationwide didn't do as I've just described and did act in a way which I feel unfairly caused Mr J ongoing distress and inconvenience, I will be provisionally upholding this complaint in Mr J's favour and instructing Nationwide to make a payment of £250 to him, which I feel provides fair compensation for the frustration and upset that Mr J has unreasonably incurred here.

Both Mr J and Nationwide have subsequently confirmed that they're happy to accept the findings of my provisional decision.

As such, I see no reason not to issue a final decision upholding this complaint in Mr J's favour on the basis I've described above. And I therefore confirm that I do uphold this complaint on that basis accordingly.

Putting things right

Nationwide must make a payment of £250 to Mr J.

My final decision

My final decision is that I uphold this complaint against Nationwide Building Society on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 15 February 2023.

Paul Cooper
Ombudsman