

The complaint

Mr B complains that Nationwide Building Society closed his accounts, failed to pay him his closing balances, didn't honour his cheques, failed to pay him his share of its "refer a friend" promotion, and failed to respond promptly to his data subject access request ("DSAR").

What happened

Mr B had a number of accounts with Nationwide: a current account, a credit card account, three savings accounts, and an ISA. In 2020 all of these accounts were closed, and he complains about that decision.

The current account, the ISA, and one of the savings accounts were in credit when they were closed. Mr B complains that Nationwide kept trying to pay him the closing balances with post-dated cheques, which he said made them invalid or fraudulent; or that Nationwide (by virtue of the cheques being invalid) did not really wish to pay him at all. He kept sending the cheques back. Eventually he cashed two of them in 2022.

Before the account closures, Mr B had told one of his friends to switch his current account to Nationwide, under Nationwide's "refer a friend" promotion. Under this promotion, if an eligible customer switched their account to Nationwide and met the necessary criteria, both the new customer and the existing customer who had referred him would each be paid £100. Neither Mr B nor his friend received their payment. The friend complained, and Nationwide paid him £100, but it did not pay Mr B. Mr B complains that he should get his payment too.

After the account closures, Mr B continued to draw cheques on his closed current account. He complains that Nationwide did not honour them.

Mr B also complains that Nationwide did not respond to his DSAR in a timely manner.

Nationwide did not uphold any of Mr B's complaints, so Mr B referred this complaint to our service. In response, Nationwide said that it had warned Mr B in writing that his behaviour towards its staff in a number of phone calls had been aggressive and threatening, and that it would close his accounts if this continued. It had later given him 30 days' notice that it would close his accounts. It had sent him the cheques in good faith, and he had cashed two of them, so he now had his money back from two of the closed accounts.

Our investigator did not uphold Mr B's complaints about those issues, or about the cheques that were drawn on a closed account. But he did think it would be fair for Nationwide to pay Mr B £100 under its refer a friend scheme, because it had already paid his friend. And he upheld the DSAR complaint and recommended that Nationwide pay Mr B £175 for that.

Nationwide agreed to pay Mr B £275. But Mr B was not satisfied with the investigator's opinion, and in particular, he did not agree that his behaviour had been unreasonable. He said he had never sworn at the bank's staff. So this case was referred for an ombudsman's decision.

(Mr B also complained about some other issues concerning his ISA. Those issues are being

dealt with in another complaint, and this decision only concerns the closure of that account.)

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 have come to the same conclusions as the investigator, and for broadly the same reasons.

Account closures

I have listened to a recording of one of Mr B's calls to Nationwide concerning his complaint about the refer a friend scheme, and while it is true that he did not swear, nevertheless he tended to shout, he demanded to speak to the CEO so that he could waste his time the way he said his own time had been wasted, and my overall impression was that the call must have been challenging for the call handler. The call handler ended the call, and I think that was justified. I don't need to go into more detail than that here; it is enough for me to say that based on this call, I am satisfied that Nationwide's internal notes about the content of other calls during 2020 are likely to be accurate, and so I don't think I need to listen to the rest of the calls.¹

Those notes include several instances when Mr B was described as being overbearing or aggressive. I have seen a letter which Nationwide sent to him on 1 September 2020 warning him that his accounts would be closed if this behaviour continued. Mr B strongly denies that his behaviour was unreasonable, but I think that the bank was entitled to send him that letter, and subsequently to decide to close his accounts. It was entitled to do that under its terms and conditions, and it gave him sufficient notice (more than 30 days) before closing the accounts.

There was nothing wrong with Nationwide sending post-dated cheques for his closing balances, and it is not responsible for any delay in him getting his money back to the extent that this has been caused by him returning them. He now has the closing balances for his current account and savings account. I recommend that he now cashes the latest cheque for his ISA closing balance, and then he will have that money too.

It is not possible to draw cheques on a closed account, and that is why Mr B's own cheques were not honoured after his account was closed. Nationwide did nothing wrong there.

Other matters

Turning to the refer a friend payment, I agree that Nationwide should pay Mr B the £100. The reason Nationwide gave him for it not being paid was that his friend had not clicked on a link in the email he had been sent to complete the process within the 90-day time limit. However, Nationwide's final response letter to the friend says that he did do that within the time limit, but that the account switch had not been completed until afterwards. As the completion date had been out of the friend's control, Nationwide had agreed to pay him. For that same reason, I think it should pay Mr B too, and I'm pleased to see that Nationwide has now agreed to do so.

Finally, I think that £175 is fair compensation for the DSAR issue.²

¹ Nationwide shared these notes with us in confidence, and so I can't share them with Mr B. Our rules allow this.

Putting things right

Therefore I am satisfied that it would be fair to require Nationwide to pay Mr B:

- £100 for the refer a friend scheme, and
- £175 for the delay in dealing with his DSAR.

But I will not require it to do anything else.

My final decision

My decision is that I uphold this complaint in part. I order Nationwide Building Society to pay Mr B £275.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 30 August 2023. But this decision brings our involvement in this case to an end, and we will not entertain further correspondence about the merits of this complaint.

Richard Wood
Ombudsman

² For future reference, Mr B should know that the usual time limit for a DSAR is one calendar month, and not (as he told one call handler) 28 days. There is more information about that on the Information Commissioner's Office's website at <https://ico.org.uk/for-the-public/time-limits-for-responding-to-data-protection-rights-requests/>