

The complaint

Mr B complains that Nationwide Building Society unfairly blocked and closed his account. He's also unhappy that Nationwide didn't offer him any help or support in relation to his gambling addiction.

What happened

Mr B had an account with Nationwide, which he'd opened in 2005.

In October 2022, Nationwide decided to review Mr B's account. Whilst it completed the review it blocked the account, which meant Mr B wasn't able to use the account. Following this in November 2022, Nationwide decided to close the account immediately.

Mr B complained to Nationwide about the closure of the account and asked Nationwide to explain why it no longer wanted him as customer. Mr B said he suffered from a gambling addiction and suspected Nationwide's decision was based on him using his account to gamble. He said instead of closing his account, Nationwide should have offered him help and support to deal with his addiction, such as placing a block on gambling transactions. And if it had offered him this support, he would have been prevented from spending thousands on gambling.

Mr B also said that at the time his account was blocked and closed he had travelled overseas to a country where gambling is illegal to help him deal with his gambling addiction. So, he said not having access to his account made life very difficult for him and he had to ask friends for money and use his credit card to get by, which was expensive due to interest and fees.

In response, Nationwide said that Mr B had never made them aware he had a gambling problem. And had only raised this after it had decided to close his account. It said had Mr B told them about this it would have been able to refer him to a specialist team who could have provided Mr B with support. The bank said it hadn't done anything wrong and had acted in line with the terms of the account and relevant regulations when it had closed Mr B's account.

Mr B wasn't happy with the bank's response and brought the complaint to this service. He said Nationwide had treated him unfairly and hadn't helped him with his gambling addiction.

One of our investigators reviewed the complaint. She said that Nationwide hadn't done anything wrong when it had blocked and closed Mr B's account. So, she didn't uphold Mr B's complaint. Mr B disagreed and asked for an ombudsman to review his complaint.

As no agreement could be reached the matter has come to me to decide.

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 would add too that our rules allow us to receive evidence in confidence. We may treat evidence from financial businesses as confidential for a number of reasons – for example, if it contains information about other customers, security information or commercially sensitive information. It's then for me to decide whether it's fair to rely on evidence that only one party has seen. It's not a one-sided rule; either party to a complaint can submit evidence in confidence if they wish to, and we'll then decide if it's fair to rely on it. Here, the information is sensitive and on balance I don't believe it should be disclosed. But it's also clearly material to the issue of whether Nationwide has treated Mr B fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.

I can see Mr B feels very strongly about his complaint. That's clear from what's he's said to us and to Nationwide. Whilst I appreciate Mr B's frustration and how this matter has impacted him, it's important to point out that the only thing in question here is whether Nationwide has done what it should have done. And I think it has. I'll explain why.

Nationwide are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations when providing account services to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. They're also required to carry out ongoing monitoring of new and existing relationships.

Following a review, banks and financial businesses sometimes decide to close an account. And that's what has happened here. Nationwide isn't obliged to reveal the reason(s) for reviewing Mr B's account. But I've considered the basis for the review, which I find was legitimate and in line with its legal and regulatory obligations. So, I can't say Nationwide have done anything wrong when it decided to review Mr B's account.

Nationwide is entitled to close an account with Mr B just as he is entitled to close his account with Nationwide. But before Nationwide closes an account, they must do so in way which is fair and complies with the terms and conditions of the account. I've looked at the terms and conditions and they state that Nationwide could close the accounts immediately in certain circumstances and by giving at least two months' notice.

In this case Nationwide closed Mr B's immediately, since Mr B wasn't able to use the account after Nationwide blocked it in October 2022. Nationwide wrote to Mr B in November 2022, informing him that it was closing his account immediately and that he'd need to make alternative banking arrangements. For Nationwide to act fairly here they needed to meet the criteria to apply their terms for immediate closure – and having looked at these terms and all the evidence I'm satisfied that Nationwide did. And that it was entitled to close the account as it's already done.

I've then gone on to consider whether Nationwide's reason for closing the account was fair. This can be due to a number of reasons and a bank isn't obliged to give a reason to the customer. Just the same as if Mr B decided to stop banking with Nationwide Mr B wouldn't have to explain why. Based on what Nationwide has shared with this service, I'm satisfied their actions were reasonable in the circumstances. And the bank's decision to stop providing Mr B with banking facilities was reached legitimately and fairly. So, I won't be asking Nationwide to reopen Mr B's account.

I understand of course why Mr B wants to know the exact reasons behind Nationwide's decision, other than what he's been previously been told. And I can see that Mr B has asked Nationwide to explain itself on several occasions. But Nationwide doesn't disclose to its customers what triggers a review of their accounts. And it's under no obligation to tell Mr B the reasons behind the account review and closure, as much as he'd like to know. So, I can't say it's done anything wrong by not giving Mr B this information. And it wouldn't be appropriate for me to require it to do so.

Mr B has said that he has a gambling addiction and that it should have been clear to Nationwide from how he was using his account that he was likely to be in financial hardship, as a result of a gambling problem and that he was vulnerable. He suspects that Nationwide closed his account because of his gambling. He says that Nationwide should have blocked his account to help him deal with his gambling addiction instead of closing his account. Nationwide has said that Mr B didn't make them aware he had a gambling problem until after it had decided to close his account. And that Mr B had never told them directly about how gambling was affecting him. Nationwide has said that had Mr B told them he was a gambling addict it could have referred him to a specialist team for support, which is what I'd expect it to do.

I've looked at Mr B's account statements and can see that it is very clear Mr B was using his account to gamble – he was making a high volume of payments to several online gambling websites on a daily basis. The transactions are easily identifiable as the gambling merchant is named as the acquirer receiving the funds from Mr B's account. But although Mr B was clearly gambling, Nationwide didn't have any information to suggest that he was experiencing financial problems as a result. There's no evidence that Mr B told Nationwide about having a gambling addiction. Mr B only disclosed this to Nationwide after it had decided to close his account. So, overall, I can't conclude that Nationwide ought to have been aware that Mr B was vulnerable or that it is at fault for not identifying Mr B had a gambling problem. And not offering him support.

In summary, I understand Mr B will be unhappy with my decision but having reviewed all the evidence and circumstances of this complaint, I'm satisfied that Nationwide has acted in line with the terms and conditions of the account and relevant regulations when it closed his account. So, I won't be asking Nationwide to do anything more to resolve Mr B's complaint.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 20 February 2024.

Sharon Kerrison
Ombudsman