

The complaint

Mr and Mrs B complain Nationwide Building Society (“Nationwide”) blocked their joint accounts without explanation causing them distress and inconvenience. They also complain about the way this was communicated to them.

What happened

The details of this complaint are well known to both parties, so I won’t repeat them again here. Instead, I’ll focus on giving my reasons for my 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’ve decided to not uphold this complaint. I’ll explain why:

- Financial businesses in the UK, like Nationwide, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means they need to restrict, or in some cases go as far as closing, customers’ accounts

Nationwide has explained, and provided supporting evidence, as to why it blocked Mr and Mrs B’s accounts. Having carefully considered this, I’m satisfied it’s done so in line with its obligations

- I know Mr and Mrs B would like an explanation, but Nationwide is under no obligation to do so. I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Nationwide has provided is information we consider should be kept confidential
- Mr and Mrs B say that Nationwide didn’t follow up in email as requested by Mrs B when it called her whilst she was in a public place to request information as part of its review. Nationwide has sent me a copy of an email it sent to Mrs B on 9 May 2023 setting out the information it required and that if it didn’t receive this information by 16 May 2023, then it could withdraw its services.

I note that there seems to be a discrepancy with the email address Nationwide sent this to against the one we have on our systems because of a slightly different spelling. I note our Investigator made Mr and Mrs B aware of the email address Nationwide used.

I don’t know if Mrs B has a different email address, and I note she says she didn’t receive this. Mrs B has a duty to make sure her email address is correct, and equally

Nationwide should maintain correct contact details for its customers. But Mrs B knew Nationwide had attempted to contact her, and she didn't receive such an email, she could also have contacted it.

It's quite possible that had the email address Nationwide used been incorrect, then a correctly sent email would have averted any restrictions on the account. But given the concerns Nationwide had, and as it had not heard from Mrs B despite following her instructions for communication, I'm still satisfied it acted fairly and in line with its obligations when blocking Mr and Mrs B's accounts.

- I'm also satisfied Nationwide conducted its review in a timely manner and didn't cause any avoidable delay
- Mr B says that he wasn't given any notification of the account restriction leaving him unable to pay for some items he had consumed, thereby causing embarrassment. He also says that if he was abroad, the impact of such actions could have been much more severe. Nationwide says its process entails it contacting joint account holders individually when such restrictions are applied.

But Nationwide is under no obligation to provide notice of such restrictions for the reasons it applied them. I can't also award compensation for hypothetical situations. In any case, and as I've already said, Nationwide did nothing wrong in restricting Mr and Mrs B's account whilst it carried out a review

- Nationwide accept that it caused delay in how it handled Mr and Mrs B's complaint and offered them £50 for any distress and inconvenience this caused. I don't think it needs to do anymore
- Mr and Mrs B say that the account being restricted caused them significant distress and inconvenience – and I don't undervalue in any way what they say about this. But having looked at what's happened in this particular case, I can see no basis on which I might make an award against Nationwide given I don't think it's done anything wrong in restricting their accounts in the way it has.

So I'm not going to ask Nationwide to compensate Mr and Mrs B for any distress and inconvenience this may have caused

My final decision

For the reasons above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B and Mr B to accept or reject my decision before 6 May 2024.

Ketan Nagla

Ombudsman