

The complaint

Mr D complains that Nationwide Building Society didn't correctly block his account when he asked, and money was then taken from his account. He says this issue and how it has been handled by Nationwide has had major adverse effects on his personal circumstances.

What happened

Mr D contacted Nationwide as he had a dispute with his partner (Ms B), and he was worried that she would take money from his account as he had previously provided her with access. He asked for his account to be blocked and access removed. Nationwide said it would send him a new passcode and this would block the account. However, the next day Ms B had taken £250 from Mr D's account.

Mr D says Nationwide admitted a mistake had been made and offered him £200 compensation. After this, Ms B received a letter from her finance provider saying her accounts have been closed while they investigate fraudulent activity. Mr D says he was told that this issue wouldn't be considered as fraud. He says this situation has ruined his relationship with Ms B and so he is unable to see his children and he lost a job because of the stress. He wants the fraud marker removed from Ms B's records and a substantial amount of compensation.

Nationwide issued a final response letter dated 14 July 2023. It apologised for it not preventing the payment leaving Mr D's account due to a third-party having access. It said this shouldn't have happened and it credited his account with £200 compensation and £251 to cover the loss. It also said it would send a letter to the recipient of a direct debit payment that was missed to explain the reason for this. However, it didn't agree that it had provided poor service on the initial call with Mr D although it noted the block wasn't applied to the account at that time. Nationwide provided a follow up letter in response to Mr D's comment about the calls on 14 July. It said it explained it would usually raise a fraud case but that it would look to refund Mr D through the complaint. It said it didn't confirm this wasn't fraud and there wasn't a discussion of any ramifications to the third-party. It said in the following call it is made clear the transactions had been reviewed as fraud and the conclusion was that a refund would take place. It said it had worked through its complaints and fraud teams to provide the correct outcome for Mr D.

Our investigator didn't uphold this complaint. He thought that the actions Nationwide took following the money being removed from Mr D's account were reasonable. He said that Mr D was aware that a fraud claim had been raised and it was only after the outcome letter had been sent that he contacted Nationwide to say that he didn't want any repercussions to come to Ms B. He noted that Nationwide had told Mr D that he could repay the money and retract the fraud claim and that it had offered to email Ms B's building society to notify it that Mr D believes this to be a civil dispute. Given this and noting that Nationwide did initially fail to put a block on Mr D's account as requested he thought the refund of the money and £200 compensation was a fair outcome.

Mr D didn't accept our investigator's view. He said Nationwide had failed to protect his money when he contacted it. He said he followed the fraud process as this was how he was

guided by Nationwide, but he made it clear this wasn't fraud. He said that Nationwide made a mistake by not blocking his account when he asked.

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 am sorry to hear of the stressful time Mr D has experienced as a result of the issue with his Nationwide account and the impact this issue has had on his work and personal life. But for me to uphold this complaint I would need to be satisfied that Nationwide had done something wrong or treated Mr D unfairly and, to the extent this had happened, not done enough to resolve any mistakes.

I have listened to the call Mr D made to Nationwide on 29 June 2023. He makes it clear that he is concerned about his partner accessing his account and is told a new pass number can be provided and the old one will no longer be able to be used. While the new passcode was actioned, this approach didn't prevent the account being accessed as Ms B had the account set up on her device and she could access this without the new passcode. Based on this it is clear that Nationwide made a mistake by not following the correct process when Mr D asked for the block to be applied to his account.

Our role isn't to punish Nationwide but when a mistake is made, we ensure that Nationwide puts the customer back in the position they would have been had the mistake not occurred and, where appropriate we will award compensation.

When Mr D contacted Nationwide on 30 June 2023 to say that money had left his account, Nationwide identified the mistake that had been made and further action was taken to protect his account. There was a discussion about the money that had been taken and this being referred as a complaint and Mr D was then transferred to the fraud team. On the call with the fraud team the adviser says that a claim has been raised but also notes that as Mr D had previously given access to his account to Ms B, the claim might need to be considered through the complaints process. So, while I understand that it wasn't clear on how Mr D's claim would be resolved at that time, he was told that a fraud claim had been made and he didn't raise any concerns about this.

On a call on 3 July, Mr D chased the return of his money. It is again said that a fraud claim has been raised and Mr D doesn't challenge this. On the call on 14 July, Mr D does say that he doesn't want Ms B to suffer any repercussion from a fraud claim and he is told the issue was being dealt with through a complaint. While I think Nationwide should have been clearer at this time about the actions that had been undertaken, Mr D had already been made aware that a fraud claim had been made. So, while I appreciate that Ms B being contacted about possible fraudulent activity on her account led to issues between Mr D and Ms B, on balance, I find Mr D was given enough information to understand the approaches being taken to ensure he received a refund. And noting that the money had been taken from Mr D's account without his authority, I do not find that Nationwide did anything wrong by following its normal process to recover this.

Mr D was refunded the money that was taken from his account. And in response to Mr D's comment that direct debit payments had been returned due to lack of funds, it provided him with a letter to send to the merchants explaining that the issues with the direct debit payments were due to a Nationwide error so that amendments could be made to his credit file if needed. I find these actions put Mr D back in the position he would have been had the account been blocked when he asked.

This issue has caused Mr D distress and inconvenience. While he was told that he would receive a refund he then made further calls to understand when he would receive the money. The time without the money in his account had knock-on effects on his ability to pay other bills which also caused him stress. Considering this but also that Nationwide did provide a letter in response to the returned direct debits and told Mr D the timescales involved in the refund, I think £200 compensation, along with the other actions taken is a reasonable resolution.

Following Mr D raising his concerns about the impact of a possible fraud marker being applied to Ms B, Nationwide said that it could retract the fraud claim but it would need to take back the refund that was provided. It said that while it cannot retract the indemnity that was sent it can, as a gesture of goodwill, contact the party that received it to notify it that Mr D believes this to be a civil dispute. I find these reasonable responses to the concerns Mr D has raised.

My final decision

My final decision is that Nationwide Building Society isn't required to do anything further in resolution of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 27 February 2024.

Jane Archer
Ombudsman