

The complaint

Mr B and Mrs B are unhappy that Nationwide Building Society blocked a transfer that they wanted to make.

What happened

Mr B and Mrs B wanted to transfer £50,000 from their Nationwide account to an account they held in their joint names with another financial institution. Mr B and Mrs B made an initial transfer of £25,000, which completed without issue. However, when they went to make a second transfer of the same amount the payment was blocked by Nationwide without any notice or explanation.

Mr B and Mrs B contacted Nationwide and asked why the second transfer hadn't been processed by them. Nationwide explained that the daily limit for online transfers in circumstances such as this was £25,000 – which was why the first transfer instruction for £25,000 had been processed by them while the second instruction had been refused. Mr B and Mrs B weren't satisfied with Nationwide's response, so they raised a complaint.

Nationwide responded to Mr B and Mrs B and explained that while the daily limit for online transfers was £100,000, there were exceptions which reduced the daily limit to £25,000. And Nationwide further explained that they felt one of those exceptions – that Mr B and Mrs B were making a payment to an existing payee who they hadn't paid many times before – applied in this instance. Mr B and Mrs B weren't satisfied with Nationwide's response, so they referred their complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that Nationwide had acted unfairly in how they'd managed the situation. Mr B and Mrs B 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.

Having done so, I note that Mr B and Mrs B have provided several detailed submissions to this service regarding their complaint. I'd like to thank Mr B and Mrs B for these submissions, and I hope they doesn't consider it a discourtesy that I won't be responding in similar detail here. Instead, I've focussed on what I consider to be the key aspects of this complaint, in line with this service's role as an informal dispute resolution service.

This means that if Mr B and Mrs B note that I haven't addressed a specific point they've raised, it shouldn't be taken from this that I haven't considered that point – I can confirm I've read and considered all submissions provided by both themselves and Nationwide. Rather, it should be taken that I have considered that point but that I don't feel it necessary to address it directly in this letter to arrive at what I consider to be a fair resolution to this complaint.

Nationwide's website explains the daily transfer limits as follows:

“... you can generally make payments of up to £100,000 per transaction, up to a £100,000 overall daily limit. However, there are times when we limit online payments to £25,000 per day.

You can only send up to £25,000 online per day if you:

- make a payment to an existing payee who you haven't paid many times before*
- make a payment to someone you haven't paid before*
- set up a standing order using our Internet Bank or Banking app.”*

It seems to me that the crux of this complaint is that Mr B and Mrs B don't agree with Nationwide that they hadn't made enough payments to their third-party recipient account such that the first of the above listed exceptions, which brought the daily transfer limit down from £100,000 to £25,000, should apply.

Notably, the wording of the exception in question – specifically the use of the word ‘many’ – is somewhat ambiguous. And it seems apparent that Mr B and Mrs B feel that they had made ‘many’ prior transfers to the account, while Nationwide felt differently.

However, as the entity that set and defined the exception in question, I feel that it's for Nationwide to interpret whether the number of prior transfers to a recipient account does or does not meet its criteria such that the exception should apply.

Mr B and Mrs B have explained that they felt that they had made sufficient prior transfers such that the exception didn't apply, and so acted on the assumption that it wouldn't. But unfortunately, in this instance, Mr B and Mrs B's assumption was incorrect. And given that the information on transfer limits was available to Mr B and Mrs B before they attempted to transfer £50,000 in one day, I feel that it was for Mr B and Mrs B to have clarified with Nationwide in advance whether the exception-reduced daily limit of £25,000 might apply.

Mr B and Mrs B have argued that Nationwide should have allowed the second transfer to complete because they were sending the money to an account held in their joint names. But the daily limits put in place by Nationwide apply to all transfers. And there's nothing in the information about that daily limits that suggests that they don't apply when moving money to a third-party account held in the same name or names as the Nationwide account from which the transfers are being made.

Mr B and Mrs B are also unhappy that Nationwide didn't contact them about the declined transfer, but that they instead had to contact Nationwide about it themselves. But I don't feel that it's unreasonable for Nationwide to have expected Mr B and Mrs B to have noticed that a significant transfer they'd attempted to make hadn't gone through and to have contacted Nationwide about it. And it also seems that no significant delay occurred in this instance, given that Mr B and Mrs B completed the second transfer of £25,000 the following day.

Finally, I note that Nationwide paid compensation to Mr B and Mrs B of £75 for a poor standard of communication in their responses to Mr B and Mrs B's complaint. I can confirm that this compensation hasn't been considered as a factor in my review of this complaint, given that it relates to Nationwide's handling of Mr B and Mrs B's complaint, rather than being paid in relation to the actual points about which Mr B and Mrs B have complained.

However, I can also confirm that I don't feel that Nationwide should be instructed to pay any compensation to Mr B and Mrs B regarding the points of their actual complaint, because as explained above, I don't feel that Nationwide have acted unfairly as Mr B and Mrs B contend.

All of which means that I won't be upholding this complaint or instructing Nationwide to take any further or alternative action here. In short, this is because I feel that it was fair and reasonable for Nationwide to consider that the exception which reduced the daily transfer limit to £25,000 did apply.

I realise this won't be the outcome Mr B and Mrs B were wanting. But I hope that they'll understand, given what I've explained, why I've made the final decision that I have.

My final decision

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 and Mrs B to accept or reject my decision before 19 March 2024.

Paul Cooper
Ombudsman