

## **The complaint**

Mr P complains that Nationwide Building Society (“Nationwide”) closed his account without notice and that it was unable to provide him with sufficient information when he contacted it about this.

## **What happened**

Mr P had a current account with Nationwide. In August 2023 Nationwide informed Mr P his account was under review. Following this review it made the decision to close his account with immediate effect and wrote to Mr P on 4 September 2023 confirming this.

Mr P appealed this decision and provided Nationwide with additional information about the account for it to consider. It considered this, but its decision remained and it wrote to him on 12 October 2023 confirming the account would remain closed and no further appeal would be considered. In this letter it apologised for not having logged his complaint about the closure on 27 September 2023.

Mr P brought a complaint to our service. He is unhappy with Nationwide’s decision to close his account and the delay in logging his complaint. He explained the account had been reviewed twice in 2022 and on both occasions he had provided sufficient information to verify his use of the account.

Our investigator considered the complaint but didn’t uphold it. They were satisfied Nationwide had acted reasonably in closing the account when it did. As Mr P didn’t accept this the complaint has been passed to me to make a 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’ll start by setting out some context for Nationwide’s review of Mr P’s accounts. Banks and financial businesses have important legal and regulatory obligations they must meet when providing accounts to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. It’s common industry practice for businesses to restrict access to an account to conduct a review on a customer and/or the activity on an account.

The terms of the account also permit Nationwide to block an account. This means it is entitled to block and review an account at any time. Banks and financial businesses are also entitled to end their business relationship with a customer, as long as this is done fairly, doesn’t breach law or regulations and is in keeping with the terms and conditions. In this instance the terms of Mr P’s account say that in certain instances Nationwide can close the accounts with immediate notice and it doesn’t have to provide a reason for doing so.

I understand Mr P wants Nationwide to explain the reason it blocked and closed his account. It can't be pleasant being told you are no longer wanted as a customer. But Nationwide doesn't disclose what triggers a review of its accounts to its customers. It's under no obligation to tell Mr P the reasons behind the account review and block, as much as he'd like to know. It's also under no obligation to provide him with the reasons it no longer wants him as a customer. So, I can't say it's done anything wrong by not giving him this information. And it wouldn't be appropriate for me to require it to do so.

Banks are entitled to decide for themselves whether to do business or continue doing business with a customer. Each financial institution has its own criteria and risk assessment for deciding whether to continue providing accounts and providing an account to a customer is a commercial decision that a financial institution is entitled to take. That's because it has the commercial freedom to decide who it wants as a customer. And unless there's a good reason to do so, this service won't usually say that a bank must keep a customer.

Nationwide can only close accounts in certain circumstances and if it's in the terms and conditions of the account. Nationwide has relied on the terms and conditions when closing Mr P's account and, it has provided supporting evidence to show why the terms and conditions it's relied on are applicable in this case. Having reviewed this information, I'm satisfied it has acted fairly in closing his account immediately. Whilst I can't disclose more information about this to Mr P I hope I can provide assurance that his account wasn't closed for an improper reason.

I understand Nationwide has reviewed Mr P's account in the past and on those occasions decided not to close his account. This is because, as I've outlined above, it is able to exercise its discretion when considering the information available to it. It's not the case that because Nationwide has allowed Mr P to appeal decisions in the past it needs to do so on this occasion. It also doesn't follow that just because Nationwide has decided not to close Mr P's account on previous occasions it was wrong to do so here.

As I've outlined, I'm satisfied Nationwide's decision to close Mr P's account was a fair and reasonable one. And I don't think it needed to ask him for any further information or documentation before making this decision.

Following Nationwide's confirmation to Mr P that his account had been closed, Mr P appealed this decision and complained on 27 September 2023. Nationwide responded on 12 October 2023 and apologised to Mr P for not logging his complaint and appeal sooner, but it confirmed it wouldn't be considering an appeal or reconsidering its decision.

Nationwide has said it could've responded to Mr P's request to appeal the decision sooner, and overall it took just over two weeks to let him know it wouldn't be reconsidering its decision to close the account. I accept any wait would've been frustrating for Mr P but ultimately he had already been made aware of the closure of his account so I think he reasonably could've made alternative arrangements on that basis while he was waiting for a response. As I've said, Nationwide wasn't obliged to reconsider its decision and ultimately its decision didn't change, so I don't think this delay has caused Mr P a material loss.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 24 July 2024.

Faye Brownhill  
**Ombudsman**