

The complaint

Mr A complains that Nationwide Building Society unfairly closed his accounts and won't explain the reason why.

What happened

Mr A held an account with Nationwide. In July 2023 he found that his account was frozen, and he couldn't make any transactions on the account. When he tried to contact Nationwide, his calls were cut off. He wasn't told the reasons for the block, just that they would be in touch once the review was completed.

In August 2023 Nationwide wrote to Mr A to let him know they had closed his accounts. They said he could collect any remaining funds by attending his branch with identification.

Mr A complained. Nationwide responded to say they didn't think they'd done anything wrong. They said they had the right to restrict accounts, in line with their legal and regulatory obligations and referred Mr A to the terms of his account. But they accepted the calls he had made had been cut off from their side and offered £25 to say sorry.

Not satisfied with this answer Mr A referred his complaint to our service. He said the review and closure had impacted his health and affected his employment. He said there were mistakes in how Nationwide had handled his account, and the funds in his account were legitimate. One of our investigators looked into what happened but didn't think Nationwide needed to do anything further. They were satisfied that Nationwide's reasons for blocking the account were fair, and the closure was in line with the terms of the account. They couldn't see any undue delays in the handling of the review or closure.

Mr A disagreed, saying the closure was unjust and unfair. He said he was convinced there was communication between Nationwide and his employer which led to him losing his job. As no agreement could be reached the complaint has been passed 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.

Having done so, I'm not persuaded Nationwide need to do anything further. As the investigator has pointed out Nationwide, like all regulated financial businesses in the UK, have numerous legal and regulatory obligations to meet when providing accounts for their consumers. These obligations mean that sometimes they need to carry out a review of an account. While they carry out the review, they can restrict the activity on the account. There is provision for this in the terms of Mr A's Nationwide account. This isn't unreasonable. The outcome of the review can be that Nationwide no longer wish to provide banking services. This will be a commercial decision for the society to make themselves, based on their criteria. If they do decide to close an account, they should do so in line with the terms.

Nationwide aren't under any specific obligation to explain to Mr A why they've decided to carry out a review or close an account – and in this case have declined to do so. I appreciate Mr A would like to know more and hasn't received the answers or documents he would like. But Nationwide haven't been unreasonable in declining to discuss this further.

Our service's rules allow us to consider evidence in confidence. In this case Nationwide have explained to us the reasons for carrying out the review subsequently closing the account. It wouldn't be appropriate for me to detail these here but having considered them carefully I'm satisfied these reasons are reasonable.

Generally, Nationwide's terms say that they can close an account for any reason so long as they provide two months' notice. But the terms also allow them, in certain circumstances, to close the account with less notice such as happened with Mr A's account. I'm satisfied these circumstances apply, and I'm not minded that the way Nationwide closed the account was unfair or unreasonable.

Mr A has alleged there were mistakes in the way Nationwide carried out their review and closure – but hasn't provided anything specific on these mistakes. Having reviewed it I consider the review to have been carried out in a reasonable timeframe, and I've seen nothing to suggest there were any significant or impactful errors on Nationwide's part. Mr A was able to withdraw his remaining funds shortly after the closure.

I'm sorry to hear of the impact on Mr A's health, and his concerns about his employment. Ultimately the nature of employment contracts isn't something our service considers, so I can't comment in detail on that. What I've considered is Nationwide's handling of the review and closure of his account, and as detailed above I see they've behaved fairly and reasonably. So, I wouldn't say Nationwide should compensate for any inconvenience or distress caused by their reasonable actions.

Lastly, I can see Nationwide have already paid Mr A £25 for the termination on calls when he was trying to contact them. I'm satisfied this is appropriate, and as such I'm not asking Nationwide to do anything further.

My final decision

My final decision is that Nationwide Building Society do not need to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 5 March 2024.

Thom Bennett
Ombudsman