

## The complaint

Mr L complains that Nationwide Building Society (Nationwide) placed restrictions and eventually closed his current account. It said it was concerned he had been the victim of fraud which he denies. He would like the allegations of fraud to be removed from his credit file as he says this is preventing him from opening another bank account. He says had he been allowed to switch banks he would have received £175 from his new bank.

## What happened

I issued a provisional decision on this complaint last month. An extract follows:

### "Background"

*In October 2021 Nationwide decided to place restrictions on Mr L's current account. Mr L says he was given no prior warning and only found out when he called Nationwide, after he wasn't able to use his debit card when out shopping.*

*Nationwide questioned Mr L regarding a transaction to buy cryptocurrency and also a large payment he'd received from a foreign bank account. Mr L said he bought the cryptocurrency himself after doing his own research and that the other transaction was from his partner who was moving to the UK and needed the money for when she moved over. When asked, Mr L confirmed he had met his partner face to face.*

*Mr L was told the fraud team would contact him by 1 November 2021 and that he would have to manage his account in branch from that point onwards. Nationwide said its terms and conditions allowed it to take these actions without prior warning.*

*Mr L complained to Nationwide who responded in December 2021. The complaint was in relation to a transaction being declined, the lack of updates regarding his account review and the restrictions not being removed. Nationwide apologised for providing poor customer service but said the restrictions on the account would remain. It offered Mr L £25 compensation which he accepted.*

*Around the same time, a further final response was sent in relation to a complaint Mr L made to Nationwide's CEO. Nationwide said there was nothing it could do to lift the restrictions, but it would make enquiries as to whether Mr L could use his card in shops and let him know. It noted that he said he would not be using his account to purchase cryptocurrencies and would not be having more credits from abroad and so it would review its decision in a few months.*

*Nationwide asked Mr L for evidence that he was able to withdraw funds from his cryptocurrency account without paying a fee. It also asked for evidence of his relationship with his partner and confirmation of any funds that would be paid into his account from this source. It said it would review its decision once it had this information. Nationwide told us that Mr L didn't provide this information.*

*A few months later, Nationwide referred the matter to the police. In April 2022 Mr L complained about his phone number being given to the police. Nationwide said it was*

*extremely concerned he was the victim of a scam and that this was a necessary step to safeguard him and his account.*

*Nationwide spoke to Mr L who again denied being the victim of a scam. It decided to give Mr L 60 days' notice, starting April 2022, before it closed his account. It told Mr L that it had serious concerns that further attempts will be made to send money to fraudsters. It said in order to protect him, as well as comply with the Proceeds of Crime Act 2022 which prevents facilitating the funding of fraudulent activity, it had no further choice but to close his account. Mr L made then made a further complaint.*

#### *Mr L's complaint to us*

*Mr L complained to us around the same time, in April 2022, and said the allegations that he had been the victim of a scam were false. He said Nationwide had accused him of lying but refused to apologise or provide the surname of the person who had made that accusation. He said as a result of its actions, he has been unable to open an account with another bank.*

*Mr L was also unhappy that his number had been given to the police and said this was done without his permission. He said this was a violation of his privacy and that the police were satisfied with his answers and, as far as he could tell, had closed their case.*

*Mr L added that:*

- Carrying out his transactions in branch was difficult and painful for him as he has a disability due to a back injury.*
- He asked for statements to be sent to him weekly as he couldn't check his account online due to the restrictions Nationwide had placed on his account, but this didn't happen.*
- His debit card was blocked without notice and his direct debits including his car insurance were also impacted. So, he had to use a credit card.*
- He missed out on an incentive due to being unable to switch to another bank.*
- Payments were delayed as each time he changed the amount of a direct debit Nationwide treated this as a new payment.*
- He said he'd been rejected by other banks when he tried to open accounts with them but didn't keep a copy of the rejections.*
- He added that his credit card provider stopped his credit facility in January 2023.*

*Mr L told us he wanted an apology from the member of staff who called him a liar and also from the CEO for the way he was treated and for passing his details to the police without his permission. He'd also like his credit record to be amended to show that comments made about him being a liar were false as well as confirmation that his record had been restored.*

*Nationwide responded to Mr L's complaint in May 2022. It apologised for the problems the restrictions it had placed on the accounts had caused him but said these would continue until it completed its investigation and received the necessary evidence from him. It accepted, however, that this couldn't carry on forever and offered to release the funds that remained and close the accounts if an electronic transfer was made into another current account in Mr L's name.*

*One of our investigators reviewed the complaint but didn't think it should be upheld. She thought that Nationwide was acting in line with its terms and conditions when it decided to review Mr L's account and ultimately close it by giving 60 days' notice. She also thought Nationwide was acting in line with the banking protocol when it shared his number with the police. She thought this was fair and reasonable, as it was concerned he was at risk of*

financial harm. She also said she didn't see any evidence to suggest Nationwide registered adverse data regarding Mr L's account.

Mr L didn't agree and asked for an ombudsman's decision. He said the police told him it was wrong for Nationwide to give out his private number. He said that his credit card provider said there was an adverse entry on his credit file and that he would prosecute the person responsible for libel.

#### Further information after the investigator's view

Before I issued my decision, I asked our investigator to ask Nationwide for some further information including the following:

- Whether Nationwide was aware of Mr L's back injury and whether it had considered making any alternative arrangements to him visiting its branch.
- Whether it was aware that Mr L had asked for paper statements and if so, why these weren't provided.
- Whether Mr L provided evidence about his relationship with his partner and on whether he could withdraw money from his cryptocurrency account without paying a fee as requested by Nationwide.
- A timeline of events between December 2021 and April 2022.
- Information regarding the impact on Mr L's direct debits and regarding the £175 incentive Mr L said he'd missed.

Nationwide provided documentation which showed that most direct debits were cancelled around May and June 2022. One insurance direct debit was cancelled in January 2022.

It said it couldn't find any record of Mr L reporting issues that may have prevented him or made it difficult for him to go to his branch. It said that Mr L didn't provide specific details regarding his disability, and it couldn't assume that it was preventing him from visiting his branch. Its notes show that Mr L visited its branch a number of times. In relation to issuing bank statements those are issued monthly and if Mr L wanted them more frequently, he would have to do this in branch or get a mini statement at one of its cash points. It said the issue with the account switch wasn't raised at the time, but it was happy to look at it as a separate issue.

Nationwide also said it didn't receive a relevant response regarding its request for further information from Mr L. It said it only received an email from Mr L where he said that he had been called a liar and that Nationwide wasn't able to admit its own error.

Mr L also provided more information. He said the complaint was not about his disability. He reiterated some of his earlier points and said another credit card provider told him there was an issue in his credit report which led to it withdrawing its services from him. He said he had to call Nationwide to tell it to pay a long-standing car insurance direct debit and a loan which he eventually had to pay using other means.

As there was no resolution the matter was passed to me to decide.

#### **What I've provisionally 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.

*In the background I explained that Mr L made two complaints that Nationwide responded to in December 2021. A further complaint, which is the one that was brought to us, was made in April 2022. That is the complaint I am considering in this decision.*

*I note that Mr L said he suffers from a disability which made it difficult for him to visit his branch. He has told us that his complaint is not about his disability and asked us to deal with his **actual** (Mr L's emphasis) complaint which is to do with the service he received and the closure of his account. For that reason, I won't comment on his disability further in this decision.*

*Mr L has made a number of comments and raised a number of points in relation to his complaint. I'd like to reassure him that I have looked at all the points he has raised but I won't be commenting on each and every one in this decision. I mean no discourtesy by this. We are an informal dispute resolution service, and we aim to keep our decisions as clear and concise as possible.*

#### *The account review and closure*

*It might be helpful if I start off by explaining that our service doesn't punish or fine businesses, and it's also not our place to say that a procedure the business follows is incorrect. Only the industry regulator, the Financial Conduct Authority (FCA), can do this. Businesses have legal and regulatory obligations they have to meet and they have processes in place in order to meet these obligations. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. To comply with its obligations Nationwide may need to review an account and/or restrict its customers' access to accounts and funds held within them. So, our role in cases like this one, is to look at whether the business has followed its own internal procedures correctly, while also meeting its legal and regulatory obligations.*

*Nationwide restricted Mr L's current account in October 2021 and kept it under review until it was closed in June 2022 having already given Mr L 60 days' notice. From what I have seen, I don't think Nationwide acted unreasonably in reviewing the account. As mentioned above, it has ongoing legal and regulatory obligations, and this means that in order for it to comply with those it may need to review its customers' accounts from time to time which may lead to an account being closed. And, it doesn't need to give notice that it is reviewing an account.*

*Nationwide told Mr L that it had concerns about two transactions in particular. I appreciate Mr L feels that he has not been the victim of fraud and I note that the police ultimately told Nationwide that they didn't have concerns that he was being defrauded, but Nationwide's terms and conditions allow it to restrict an account in certain circumstances including when it has concerns about a customer's safety like it did in this case. I don't think Nationwide's concerns were unfounded as the transactions it was concerned about were atypical for Mr L's normal account activity in that they involved larger sums of money. I also bear in mind that Mr L's account was still operational though he had to attend a branch in order to carry out any transactions. For these reasons and having considered all the evidence provided by Nationwide regarding its reasons for restricting the account, I think it was reasonable that Nationwide restricted the account so it could be reviewed.*

*As mentioned above, Nationwide closed the account by giving Mr L 60 days' notice. Nationwide's terms and conditions allow it to take such action and I don't think it needs to provide its reasons for doing so, even though in this case it did explain to Mr L why his account was being closed. As I said above, I thought its reasons for restricting the account were fair and reasonable, and for the same reason I think its decision to close the account was also fair and reasonable. And by extension, I think Nationwide was acting within its terms and conditions when it closed the account.*

*The account was restricted in October 2021 and it wasn't until April 2022 that Nationwide decided to give Mr L 60 days' notice before closing it. Nationwide said it was waiting for further information from Mr L which he ultimately didn't provide. I appreciate Nationwide wanted to give Mr L adequate time to provide this evidence, but I think the decision to close the account could have been made earlier. Especially as it seems Nationwide did not take any action between December 2021 and February 2022. I think Mr L could have been spared the trouble of travelling to the branch which he said he found painful due to his back injury. So, in the particular circumstances of this complaint, I don't think that Nationwide treated Mr L fairly as it continued to restrict his access to his account for longer than was necessary. I think it would be fair and reasonable for it to compensate him for the distress and inconvenience this caused him and I think £150 would be a fair amount in the circumstances.*

#### *Mr L's other concerns*

*Mr L wasn't happy that Nationwide shared his private number with the police. Nationwide said this was in line with the banking protocol which enables it to report matters to the police when it is concerned about a customer's welfare. In the circumstances, where it believed Mr L was the victim of fraud and he disagreed, I think it acted fairly and reasonably.*

*I note Mr L said that Nationwide added adverse entries to his credit record which preclude him from opening another bank account and which led to one of his credit cards which he had with another bank getting cancelled. Like our investigator, I am not aware of Nationwide adding adverse entries on Mr L's credit file. I would urge Mr L to apply for a credit report and to contact CIFAS so that he can check what is on his credit file and if there is something, who it was added by.*

*Mr L said he was called a liar by a member of Nationwide's staff who said they didn't believe him. I have not seen evidence of this and though I have no reason to doubt Mr L, if this was said during their conversation, I am not sure I would consider not being believed to be quite the same as being called a liar. I think being called a liar indicates that there is an intention to mislead. But I can appreciate Mr L may have felt that way when it appeared that his judgement was being called into question. Mr L has asked for Nationwide and its CEO to apologise but I am not sure a forced apology would have much meaning particularly at such a late stage.*

*Mr L also asked for the surname of the member of staff that he spoke to, but I am not sure there is an obligation on Nationwide to provide him with this information. That is a matter for the bank and it's a part of its internal processes which I won't seek to interfere with. What I will say is that Mr L followed the right course of action by complaining to Nationwide about the particular member of staff. I think under the circumstances the actions of the employee are the responsibility of the bank as their employer.*

*I note that Mr L said that his direct debits were impacted when Nationwide decided to restrict his account. Nationwide has provided evidence to show that most direct debits were active until May/ June 2022 when the account was closed. There is one insurance direct debit which was cancelled in January 2022 but it's not clear how this impacted Mr L or whether it was Mr L that cancelled it. Mr L did say that he had to ask for a direct debit to be paid over the phone. If he has any evidence to show that this impacted his car insurance I would ask him to provide it within the time I have given the parties to respond to this provisional decision. Without evidence of this impact, I am not able to award any compensation in relation to this part of the complaint.*

*Nationwide said it has no record of Mr L asking for weekly statements but in any event its statements are issued monthly. I note that Mr L visited his branch a number of times and I*

*think bank statements could have been provided to him during those visits or from a cash point. So, I don't think Nationwide needed to do anything else.*

*Mr L said that had Nationwide allowed him to switch accounts he would have received £175 from his new bank. Nationwide said it hasn't dealt with this complaint as it wasn't part of the original complaint. It was part of Mr L's complaint to us and Nationwide has had more than eight weeks to respond so I think this is something I can consider. I don't think Nationwide has an obligation to help Mr L or any of its customers switch accounts, but I would expect it to act fairly and reasonably when deciding whether to do so or not. In this case given the concerns Nationwide had about Mr L and the way he was managing his accounts I think it acted fairly and reasonably."*

My provisional decision was that I was considering upholding the complaint and directing Nationwide to pay Mr L £150 compensation for the distress and inconvenience it caused him.

The parties responded to my provisional decision and they both accepted it. Mr L made some additional comments including the following:

- No money was received from a foreign bank account. All he asked was whether there was a maximum deposit limit. He was told there wasn't.
- Confirmation regarding his cryptocurrency account was not requested until after Nationwide decided to close his account.
- Nationwide refused to move a small amount of money from his Individual Savings Account (ISA) to his main account so he could transfer it out and still retains that money.
- He asked for statements to be sent to him via email due to difficulties getting into branch or to a cash point. Staff at the branch were helpful and printed statements off for him.
- Only one transaction was atypical and that was the £2,200 cryptocurrency purchase.
- In relation to his car insurance, he had to pay that month's premium using his credit card.
- I could request call recordings if I wanted proof he was called a liar.
- He reiterated that he is not the victim of fraud.

### **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'd like to thank Mr L for providing the further clarifications above which I have noted. Specifically, I note that Mr L has said that there was no transaction from a foreign bank and that he had simply made an enquiry about this and also that the only atypical transaction was the cryptocurrency transaction. Nevertheless, this information doesn't change the outcome I reached in my provisional decision. I still believe Nationwide acted fairly and reasonably in restricting and ultimately closing the account for the reasons I provided in my provisional decision.

I was also pleased to note that Mr L was able to obtain bank statements from his branch. And I also note he says his car insurance wasn't impacted, albeit because he made the payment himself. In relation to the call recordings, I don't feel these are necessary. As I said in my provisional decision, I have no reason to doubt what Mr L has said but I don't feel that a forced apology would have much meaning. In relation to the small amount- around £10- that he says remains in his ISA, this is something that he raised after his complaint came to

us so it's not something I have considered as part of this complaint. This is something he can liaise directly with Nationwide about.

As I said above both parties have accepted my provisional decision. My views as set out provisionally have not changed other than the further clarifications above. My provisional findings along with any further comments here are now the findings of this my final decision.

### **My final decision**

For the reasons above, my final decision is that I am upholding this complaint. Nationwide Building Society (Nationwide) must pay Mr L £150 for the distress and inconvenience it caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 29 February 2024.

Anastasia Serdari  
**Ombudsman**