

The complaint

Miss W complains that Nationwide Building Society blocked her account without providing an explanation or warning. Miss W says this caused her unnecessary inconvenience and worry.

What happened

Miss W had a current account with Nationwide.

In June 2023, Nationwide decided to block Miss W's account after she tried to make a payment to buy some cryptocurrency. Nationwide believed that Miss W had fallen victim to a scam and said it needed to investigate.

Nationwide wrote to Miss W and told her that whilst it completed its investigation Miss W would only be able to access the money in her account by visiting a branch with some ID. It told Miss W that she wouldn't be able to use her bank card to make any purchases, take cash out at an ATM, make online purchases, or use online banking. Nationwide also asked Miss W to provide it with information about the cryptocurrency company she was using.

Miss W complained to Nationwide. She told them that she hadn't fallen victim to a scam and the transaction was legitimate. She told them that the block on her account was causing her a great deal of inconvenience and making life very difficult for her and her family. She said that she was unable to make payments to pay for her father in law's care home costs and couldn't buy a wheelchair that she needed for herself.

Miss W says that Nationwide told her it had blocked her account because it believed she was being scammed. However, Miss W says she isn't a victim of fraud and knew exactly what she was doing when she tried to buy cryptocurrency. So, she said Nationwide shouldn't have blocked her account.

In response, Nationwide didn't provide Miss W with much information about what it was doing – all it told Miss W was that it was investigating and would be in touch if it needed any information. However, it said it had made a mistake when it told Miss W, she couldn't use her bank card to make payments or take cash out of an ATM. It said it had only blocked Miss W's online access – so she couldn't make any online payments or use online banking. Nationwide apologised and paid Miss W £100 compensation for any trouble and upset the misinformation had caused.

Nationwide unblocked Miss W's account in July 2023. Following this Miss W transferred her money to an account she held with another bank. However, once she did this, within days she discovered that this account had also been blocked.

Miss W complained to Nationwide about the block on her account. Nationwide said it hadn't done anything wrong and had complied with the terms and conditions of the account. It said it had blocked the account to protect Miss W and her account.

Unhappy with this response Miss W brought her complaint to our service. Miss W says she contacted Nationwide on several occasions trying to find out why she couldn't access her account. But Nationwide wouldn't give her much information, which she said was frustrating and upsetting.

Miss W also said that the block on her account made life very challenging for her as she suffers from a chronic health condition and at the time needed access to her account to buy aids online to help her mobility. Overall, she said the whole experience was stressful, and took a toll on her physical and mental well-being.

One of our investigator's reviewed Miss W's complaint and asked Nationwide to provide more information about why it had blocked Miss W's account. But Nationwide didn't respond despite repeated requests from the investigator. So, investigator said that based on the limited information, he couldn't say Nationwide had treated Miss W fairly when it had blocked her account. He said Nationwide should pay Miss W £200 compensation for the trouble and upset she'd been caused by Nationwide blocking her account along with interest on her account balance for loss of use of her funds during the time the blocks had been applied to her account.

Nationwide didn't respond to the investigator's view.

As no agreement could be reached the matter has come 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.

The crux of Miss W's complaint is that Nationwide unfairly restricted her access to her account. Nationwide have legal and regulatory obligations to be alert to instances of fraud and scams. And to act in their customer's best interests. And if they have good grounds to suspect that one of their customer's is in the process of being scammed or unwittingly allowing their accounts to be used for financial crime, they can refuse to process payments and restrict an account to protect them. The terms and conditions of the account also permit them to do so. However, in this particular case I can't be sure that this is what has happened because Nationwide haven't provided this service with any information – it's also not responded to the investigators view, which is disappointing.

Nationwide needs to provide information to this service so we can fairly decide a complaint. Despite being asked by the investigator, Nationwide has failed to provide information about why it blocked Miss W's account. So, I've had to rely on what Miss W has said about why she believes Nationwide blocked her account to help me reach my decision. Miss W has also provided emails between her and Nationwide, and the final response letter which Nationwide sent to her. I've looked at these to help me get a better understanding of what has happened and decide whether Nationwide has treated Miss W fairly when it blocked her account.

This service has the power to request evidence from a business under the dispute resolution rules (DISP) and it's disappointing that Nationwide hasn't complied with these rules. So, in this particular case, because of the lack of information from Nationwide, although I can see from looking at everything Miss W has provided that Nationwide had concerns over the security of Miss W's account, I can't be satisfied that Nationwide has treated Miss W fairly when it blocked her account. I simply haven't seen enough evidence to safely conclude that Nationwide haven't done anything wrong. Taking this into account, I agree with the

investigator that Nationwide should pay Miss W compensation for the trouble and upset caused by blocking her account.

The investigator said that Nationwide should pay Miss W £200 compensation for the trouble and upset caused by Nationwide blocking her account. I should explain that there isn't a set formula that we use to calculate awards for particular mistakes or poor service. It's my role to consider what impact Nationwide's actions have had on Miss W and decide, within guidelines set by our service, whether compensation would be appropriate in the circumstances.

I've considered what Miss W has said about her circumstances and how Nationwide's actions impacted her. I've no doubt this was a worrying and stressful time for Miss W especially as she explained that she couldn't pay important bills for the care of her father in law and couldn't buy a wheelchair online because of the block on her account.

Having considered the impact on Miss W and taking into consideration the available evidence, I'm satisfied that the block of her account has caused Miss W trouble and upset. Therefore, I think she should receive compensation for this. I'm satisfied that £200 compensation recommended by the investigator recognises the impact Nationwide's actions had in the overall circumstances of this complaint

In addition, Nationwide should pay Miss W 8% simple interest on her account balance for loss of use of her funds. This should be for the period Miss W's account was blocked. In reaching this conclusion I am aware that Nationwide partially restored Miss W's access to her account during the block – however, because Miss W didn't have full access to her account and the impact this had on her given her circumstances, I'm persuaded that the 8% should apply for the whole period until Nationwide removed all the restrictions on Miss W's account.

In summary, based on all the available evidence and circumstances of his complaint, I'm satisfied that Nationwide hasn't treated Miss W fairly and it should put things right as set out below.

My final decision

For the reasons I've explained I uphold this complaint and direct Nationwide Building Society to put things right by doing the following:

- Pay Miss W £200 compensation for the trouble and upset caused by blocking her account
- Pay Miss W Pay 8% per year simple interest on the balance of Miss W's account for the period that the account was blocked.

If Nationwide Building Society considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Miss W how much it's taken off. It should also give Miss W a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 1 May 2024.

Sharon Kerrison

Ombudsman