

The complaint

The estate of the late Mrs R has complained that Nationwide Building Society blocked payments she attempted to make from her account, and provided her with poor service in relation to this matter.

This complaint has been brought on behalf of the estate by her children, who are the executors of the estate.

What happened

In September 2022 Mrs R received an inheritance, and decided that she wanted to share it between her children. Mrs R wrote out two cheques from her Nationwide account, but in October 2022 Nationwide informed her that her account had been blocked. Mrs R's daughter says that this caused Mrs R significant distress and anxiety. Following several phone calls and a visit to the local branch, Nationwide was satisfied that the payments were genuine and unblocked the account. Mrs R's daughter says that at this time Nationwide rang to apologise that the payments had been blocked, and said that this would not happen again.

From February 2023 Mrs R wrote further cheques to her children, but the final one of these again led to the account being blocked. Her daughter says that this again caused Mrs R significant upset. In April a member of Nationwide staff told Mrs R that they were satisfied the payments were genuine, and a follow up call would be made confirming the account would be unblocked. Mrs R waited for this further call but it did not happen.

Sadly Mrs R died in May. Her daughter says that Mrs R worried about things, and Nationwide's actions had caused her unnecessary anxiety and upset. The executors complained to Nationwide.

In response Nationwide stated that with regard to the events of April 2023, it had explained that it could not speak to Mrs R's daughter at this time because there was no authority on the account to do so. It also said that it had not promised to call Mrs R back.

Dissatisfied with Nationwide's stance, the executors brought a complaint to this service.

Our investigator did not uphold this complaint. In terms of the block placed on the account in October 2022, she stated that this had been because Nationwide had some doubts about whether the cheque written for a large sum was genuine. Following a call with Mrs R, Nationwide unblocked the account. In April 2023 Nationwide blocked the account again as it was concerned that there had been several large transactions withdrawing funds from the account, and Mrs R's signature on a cheque did not match her previous signature. The investigator noted that when Nationwide spoke to Mrs R, she was reluctant to discuss the recent transactions.

The investigator acknowledged that Mrs R would have found Nationwide's enquiries about her account difficult. However she concluded that it was reasonable that Nationwide had taken the actions that it had, in order to protect Mrs R's funds. She also noted that there was no power of attorney registered on the account at that time that would have allowed

Nationwide to discuss matters with Mrs R's daughter. The investigator agreed that it appeared Nationwide may not have called Mrs R back when it had said that it would, but she considered its decision to escalate this for internal feedback was reasonable.

Mrs R's daughter asked that this complaint be referred to an ombudsman. In terms of the events in October 2022, she commented that Mrs R had severe arthritis in her hands, and Nationwide had not taken this into account when highlighting an inconsistency in the signature being used on cheques. She also said that Nationwide had honoured other cheques written by Mrs R, despite any inconsistency which may have been present with her signature. Mrs R's daughter commented that when she was told that the account had been unblocked and would not be blocked again, Mrs R's signature was not discussed.

With regard to events in April 2023, Mrs R's daughter highlighted that cheques were again honoured by Nationwide, with no issue arising regarding the signatures on them. It was only when two further cheques were written that the account was blocked again. Mrs R's daughter explained that Mrs R was very worried about being scammed, and this made her wary of being phoned unexpectedly. This was why Mrs R asked her children to supervise her financial affairs. She commented that Mrs R found Nationwide's questions intrusive, and distressing.

With regard to not being called back on 28 April, her daughter said that Mrs R found this episode particularly worrying due to her concerns about scams. Whilst acknowledging Nationwide's obligations to keep funds safe, Mrs R's daughter said that her mother had been caused unnecessary upset in her final days due to Nationwide's actions.

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.

Firstly I would like to pass on my condolences to Mrs R's children regarding the death of their mother. I appreciate that the events surrounding this matter will have been difficult for them, and I acknowledge the comments made about the impact this has had on their whole family.

Mrs R's daughter has explained why her mother was making the payments out of her account that she was when Nationwide blocked her account on the two occasions that it did. What I need to consider is whether Nationwide's actions were reasonable, and whether the way in which it carried out its enquiries was appropriate.

As our investigator explained, Nationwide has an overriding obligation to keep its customers' funds safe. In terms of the block applied to the account in October 2022, the investigator stated that this was due to Mrs R's handwriting used on a cheque written at this time. Mrs R's daughter has explained that her mother was suffering from arthritis in her hands, and that Nationwide had honoured other cheques written around this time.

I note what she has said, but my view on balance is that it would not be unreasonable for Nationwide to make further enquiries where it had concerns about the writing used on a cheque. Nationwide's enquiries satisfied it that the September 2022 cheque was genuine. But overall, I do not consider it was unreasonable that Nationwide took the steps that it did in October 2022 to ensure Mrs R's funds were secure.

Mrs R's daughter has questioned why Nationwide blocked the account again in April 2023 after it had said that this would not be repeated. I've thought carefully about her comments, but it seems to me that it would not be possible for Nationwide to have guaranteed that

blocking the account would never occur again, as it would be impossible to say that an accountholder would never fall victim to fraud in the future. The reason for applying a block in April 2023 was because Nationwide had noted the significant levels of withdrawals from the account over the previous month, together with one of the cheques having a signature that did not match Mrs R's previous signatures.

Nationwide's investigations in April 2023 led it to speak to Mrs R over the phone. I thank Mrs R's daughter for explaining in more detail why her mother would have been concerned about Nationwide's line of questioning. In particular she has explained that Mrs R was concerned about scams, and so when she was contacted by Nationwide and asked the reasons for the payments being made, she became wary of the level of detail being asked of her.

With the objective of keeping account funds secure, I consider it's reasonable that Nationwide would want to check with an accountholder what the purpose of a payment was for, especially when the sums involved are large, as was the case here. I would expect Nationwide to carry out that questioning in an appropriate manner, being mindful of any vulnerabilities the accountholder might have. I have thought carefully about the questions Nationwide asked, and I appreciate that the fact she was being asked these questions is likely to have worried Mrs R.

I understand that during the conversations with Mrs R, she asked Nationwide to talk to her daughter about the payments. Unfortunately that was not possible because at that time, the power of attorney appointing Mrs R's daughter had not been registered with Nationwide. With that in mind, overall my view is that it was fair that Nationwide asked Mrs R the questions it did, to ensure any payments made from the account were genuine. And again, whilst I have taken into account what Mrs R's daughter has said about her mother's arthritis, I consider it was reasonable that Nationwide made further enquiries when it noticed a difference in the signature of one of the cheques presented in April 2023.

In summary it is clear that Nationwide's blocking of her account on two occasions, and the further questions she was asked regarding payments from her account, caused Mrs R worry and concern. I am sorry to learn that this was the case, especially taking into account Mrs R's anxieties about possible scams being attempted on her. However, my view is that Nationwide's duty to keep its customers' funds safe meant that it acted reasonably when taking steps to ensure that payments being requested from Mrs R's account were valid.

And overall I consider that the way in which Nationwide conducted these enquiries was reasonable. For that reason, although I appreciate my findings are likely to be a disappointment to Mrs R's children, my view is that Nationwide should not be required to take any further action in relation to the events that took place in October 2022 and April 2023 relating to Mrs R's account.

My final decision

My final decision is that I do not uphold this complaint, and I make no award.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs R to accept or reject my decision before 18 April 2024.

John Swain
Ombudsman