

## **The complaint**

Mrs S complains that Nationwide Building Society (Nationwide) restricted her accounts and took too long to let her access them again.

Mrs S is represented by her daughter, Ms S1. Ms S1 is also lasting power of attorney for Mrs S.

## **What happened**

In October 2021, Nationwide restricted Mrs S' access to all her accounts, including her flex account where Ms S1 was registered as lasting power of attorney. Mrs S wasn't told why her accounts had been restricted, so Ms S1 contacted Nationwide to find out why.

In late November, Nationwide explained that the account was being investigated for financial abuse. They explained to Ms S1 that she and her mother should've been informed about this when they last visited the branch. But Nationwide has since said they couldn't let Ms S1 know as this could've put Mrs S at risk.

Throughout November and December Mrs S1 continued to contact Nationwide in a bid to find out what was going on and how things could be put right. In late December, Mrs S received a letter from Nationwide asking that she visit the local branch to discuss her accounts. Mrs S was worried about visiting the branch because of Covid, but when she asked for a telephone call instead, Nationwide explained that they needed her to visit the branch.

Mrs S1 called ahead and asked if a room could be booked so Mrs S could avoid sitting in a public area, but staff members from the branch said they didn't have a room big enough to allow for social distancing.

On 15 January 2022 both Mrs S and Ms S1 visited their local branch. Mrs S was hopeful that the issues regarding her account being restricted would be resolved. But instead, she says she was left waiting in a public area with no effort to sort the problem. A new appointment was made for 21 January 2022 and Mrs S was asked to visit on her own.

In the meantime, Nationwide referred its concerns about Mrs S and Ms S1 to the Office of Public Guardian (OPG), who agreed to investigate whether Mrs S had the mental capacity to make decisions.

Mrs S visited the branch on 21 January as requested. During the meeting Mrs S was told that Nationwide had concerns that Ms S1 was financially abusing her. She was asked questions about her credit card spending and why it was so high.

The OPG contacted Mrs S to inform her that Nationwide had been in touch with concerns and that they would complete an investigation and write to both parties with their outcome. Ms S1 noticed that Nationwide had referred the matter to the OPG ahead of Mrs S visiting the branch on 21 January. She felt this was an unnecessary visit which caused Mrs S distress.

The OPG completed their investigation and wrote to Nationwide on 21 April 2022 to explain they had no concerns about Mrs S' mental capacity, which in turn meant Nationwide's concerns about financial abuse fell away. On 13 May 2022 Nationwide lifted the block and Mrs S was able to access her accounts as normal.

Ms S1 raised a complaint to Nationwide on behalf of Mrs S. Nationwide explained that it was entitled to block Mrs S' accounts because it had genuine concerns. It apologised for any inconvenience caused and explained that while an account is blocked communication is kept to a minimum. Nationwide explained that Mrs S was asked questions about the credit card because this was one of the accounts it was concerned with and it needed more information.

Nationwide also apologised for the time it took to resolve the issue but said this was because it was liaising with external businesses. Nationwide recognised it had caused a delay when unblocking Mrs S' accounts from when it received notification from the OPG that there were no concerns. It offered £75 compensation for the delay. Mrs S didn't accept this and brought the complaint to this Service.

One of our Investigators looked into the matter. They agreed Nationwide was entitled to block the accounts while it investigated legitimate concerns. But they thought Nationwide took too long to unblock the accounts after the OPG responded and they thought Nationwide asked Mrs S to attend the branch on 21 January when it didn't need to. This was because the concerns had already been passed to the OPG at this point. The investigator recommended a further £50 compensation, bringing the total to £125 for Mrs S.

Initially, Nationwide disagreed with this – but later it agreed to pay it. Mrs S and Ms S1 disagreed. They said they didn't think Nationwide handled the investigation well and this caused significant distress to Mrs S. Ms S1 asked why Mrs S wasn't spoken to sooner as she feels Mrs S would've been able to put Nationwide's concerns at bay. She also said that it was unfair to ask Mrs S to attend the branch on 15 January when a telephone call would've enabled them to sort the matter out or arrange a solo visit for Mrs S. Ms S1 explained that the whole thing has caused Mrs S a lot of worry and unnecessary distress and she thinks £125 doesn't reflect this. Ms S1 also explained that the block on the account caused them to incur costs when purchasing a house. They wanted to know if Nationwide was going to cover the legal costs.

Our Investigator asked Nationwide about the legal costs. It explained that it had released the funds within the timeframe, so didn't think it had caused any financial loss to Mrs S.

Because an agreement couldn't be reached, the complaint was passed to me to review. I issued my provisional decision on this complaint, it said:

*I understand Ms S1 feels very strongly about what has happened to her mother and the distress and worry this has caused her. She has provided detailed accounts of how this has impacted her. I have read all of these, alongside all of her other submissions and the information provided by Nationwide. I mean no discourtesy if I haven't specifically mentioned everything – I have considered the case in the round and focussed on what I consider to be the main issues.*

### ***Applying the block***

*Firstly, I have considered whether Nationwide was entitled to apply the block to Mrs S' accounts.*

*Several of Mrs S' accounts were blocked as a result of Nationwide's concerns. I have considered the general terms and conditions, and I'm satisfied that these allowed Nationwide*

*to apply a block if it was concerned about a number of things, including financial abuse. So, I'm satisfied Nationwide was entitled to restrict Mrs S' accounts.*

### **Legitimate concerns**

*Secondly, I have considered whether the activity on Mrs S' account was such that it was reasonable for Nationwide to be concerned about possible financial abuse. I have reviewed the internal investigation notes and I can see Nationwide's main concern was about the payments leaving Mrs S's account and what they were being used to pay. Several concerns were raised over a short period of time, so I think it was reasonable for Nationwide to have concerns, and I think Nationwide was correct to take action and investigate.*

### **Investigating the concerns**

*Next, I have looked at how Nationwide handled the blocking of the accounts and what steps it took to try and understand the activity on the accounts.*

*Of course, Nationwide had to be careful about communicating with Ms S1 about Mrs S' accounts because some of its concerns arose from Ms S1's actions. Mrs S and Ms S1 lived together at the time and as I understand it were very close. Ms S1 helped Mrs S with, for instance, her day to day activities. So, when Nationwide was trying to contact Mrs S about its concerns it was difficult to do this without explaining to Ms S1 what was going on. This caused problems because it meant Nationwide couldn't speak with Mrs S alone on the telephone and in branch as she was usually accompanied by Ms S1.*

*After an unsuccessful first visit (15 January) Nationwide eventually managed to speak with Mrs S alone in branch. But, by this point it had already referred its concerns to the OPG who were completing their own investigation. Nationwide has said it was still important that it asked Mrs S about her accounts, but Mrs S and Ms S1 felt like this was a wasted meeting and caused a lot of distress to Mrs S.*

*I can understand why Nationwide wanted to speak with Mrs S alone, but by the time it managed to do this, I think it was too late. It had already passed its concerns to the OPG and was awaiting the outcome of its investigation before unblocking the account. So, I agree with Ms S1 and the investigator that the branch visit of 21 January was not needed and caused further distress and inconvenience to Mrs S.*

### **Unblocking the account**

*The OPG concluded their findings on 21 April 2022 and wrote to Nationwide to explain they were satisfied that Mrs S had the mental capacity to make decisions about her lasting power of attorney and the other concerns raised. It took Nationwide until 13 May 2022 to lift the blocks on Mrs S' accounts. This meant it took almost another month to give her full access to her accounts. Nationwide has accepted this was too long and I agree. I don't think Nationwide acted as quickly as it should've done.*

### **Legal fees from the purchase of Mrs S house**

*Ms S1 says that while Mrs S's accounts were blocked, they were in the process of buying a house. Ms S1 says she asked upfront what would be required to ensure the release of the funds and that it wouldn't cause any undue stress. However, when it came to it Nationwide said Mrs S would need to provide further information which incurred extra legal costs. It also meant the funds weren't released on the original day of completion (4 March 2022).*

*Nationwide has said it released the funds within the appropriate time frames which ensured the house purchase could go through. It also said it wasn't aware that any additional fees were incurred.*

*I've looked at the email exchanges between Ms S1 and Nationwide over the period of this complaint. I'm satisfied Ms S1 raised concerns to Nationwide about the additional legal fees incurred in December 2022. Given the time that has passed since then, I'm satisfied Nationwide has had an adequate time to respond and so I've considered this as part of this complaint.*

*I think Mrs S and Ms S1 did all they could to try and mitigate any potential problems that might have arisen when purchasing their house. But I also understand that there will have been further information that was required by Nationwide to release the funds, given the accounts were blocked at the time.*

*I've considered the additional legal fees that were incurred, and I'm satisfied that these will have always been added because Nationwide would've needed the extra information to release the funds. This is because the accounts were still blocked pending the outcome of the OPG's investigation.*

*But I think it would've been helpful for Nationwide to have informed Mrs S and Ms S1 earlier what information it would have required. This would've enabled them to have prepared the information and work with their solicitors to get everything ready for completion. Instead, this caused extra worry and anxiety at what would've been an already stressful time.*

## **Summary**

*I'm satisfied that Nationwide was entitled to restrict Mrs S' accounts while it investigated concerns about financial abuse. However, once it received a response from the OPG I think it should've acted more quickly to give Mrs S access to her accounts.*

*I have no doubt this situation caused a lot of distress and worry to Mrs S. In total her accounts were restricted for nearly 8 months and one of those months was down to a delay caused by Nationwide. During this time, I think there were periods of time where she was left wondering what was going on and she was asked to make unnecessary visits to a Nationwide branch. I also think Nationwide caused further worry when Mrs S was purchasing her house, which she had tried to mitigate by asking upfront what information would be required.*

*Ms S1 has confirmed Mrs S has suffered with periods of anxiety and depression because of what has happened. I've considered this when thinking about compensation.*

*The investigator previously recommended that Nationwide pay Mrs S a total of £125 for the distress and inconvenience caused – Nationwide agreed to this. However, taking everything into account, I don't think this is enough and I'm provisionally recommending that Nationwide should pay £250.*

*Both parties responded to my provisional decision. Nationwide agreed with my recommendations and Ms S1 on behalf of Mrs S also accepted it. But she did provide some further comments on how the situation has affected Mrs S.*

*In summary, she said Nationwide had already made Ms S1 and Mrs S aware that they were concerned about financial abuse, so she thinks they could've arranged a face-to-face meeting much sooner. She also thinks staff members in branch could've been more friendly and polite, Mrs S is anxious to attend the bank for fear of what bank staff might think. And*

she also said that the legal fees incurred were down to delays in exchanging because they had to provide further information, which in turn meant Nationwide couldn't release the funds in time for exchange and completion.

### **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 see no reason to depart from the findings of my provisional decision.

I understand the impact this situation has had on Mrs S, and I fully recognise that it continues to impact her – but I'm satisfied the compensation I've awarded takes into account this.

I also acknowledge what Ms S1 has said about the house purchase and the legal fees, but I'm satisfied Nationwide did progress things as quickly as it could when releasing the funds for the house. Where I think it fell short is not being upfront with Mrs S and Ms S1 about what it might need, which then caused further stress and worry.

Overall, I think £250 compensation recognises the distress and inconvenience caused to Mrs S.

### **My final decision**

My final decision is that I uphold this complaint. Nationwide Building Society should pay £250 compensation to Mrs S.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 12 April 2024.

Rachel Killian  
**Ombudsman**