

## The complaint

Miss A complains Nationwide Building society blocked and later closed her account and she couldn't access her funds. She would like to know the reason.

## What happened

The detailed background of this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In summary Miss A had a basic account with Nationwide.

On 20 January 2023 Miss A's account was blocked for a review. On 21 January 2023 the Society issued a notice to close letter for immediate closure of the account.

The account closed on 17 February 2023. The funds remaining in the account at time of closure were £701.84.

Miss A contacted Nationwide they said they had reviewed her account. She wanted to know the purpose of the review and as a long-standing customer she found this frustrating. She explained she had her account reviewed before in November and December of 2022.

Miss A complained to our service. One of our investigators looked into the complaint she said Nationwide hadn't provided sufficient information for her to be satisfied that the account had been closed fairly. As this was a basic account and it had closed immediately. She awarded £100 compensation.

Nationwide disagreed they said they had closed the account in line with the terms and conditions.

As there was no agreement the matter came to me and I issued a provisional decision.

In my provisional decision I said:

*I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from financial businesses as confidential for a number of reasons – for example, if it contains information about other customers, security information or commercially sensitive information. It's then for me to decide whether it's fair to rely on evidence that only one party has seen. It's not a one-sided rule; either party to a complaint can submit evidence in confidence if they wish to, and we'll then decide if it's fair to rely on it. Here, the information is sensitive and on balance I don't believe it should be disclosed. But it's also clearly material to the issue of whether Nationwide has treated Miss A fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.*

*I'll start by setting out some context for the review of Miss A's account. UK legislation places extensive obligations on regulated financial businesses. Financial institutions must establish the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. This applies to both new and existing relationships. These obligations override all other obligations.*

*I can see that in blocking the account the bank were following an internal process which they carried out in order to comply with their legal and regulatory obligations. This was a legitimate exercise so I can't say Nationwide was unfair. I am satisfied Nationwide were complying with these obligations when they reviewed Miss A's account.*

*Nationwide closed Miss A's account with immediate effect. Miss A's account was a basic account. These types of current account are intended for people who don't have and don't qualify for standard current accounts. In order to be eligible for a payment account with basic features an individual shouldn't hold a payment account with any United Kingdom credit institution that has at least the features of a basic bank account.*

*When closing a basic account, along with the terms and conditions of the account, Nationwide also has to consider the provisions of the Payment Accounts Regulations Act 2015 (PAR 2015). Amongst other things they set out when an account provider can close a basic bank account. Closure is only permitted in certain circumstances – one of them involves the conduct of the account and the way it is being run. Another reason is if the consumer has access to another payment account in the United Kingdom which allows the consumer to make use of services offered by a basic bank account and was opened after the payment account with basic features.*

*Nationwide has provided this service with information about why it decided to close Miss A's basic bank account immediately. Having looked at the information provided by Nationwide to this service I am satisfied they have met the criteria for immediate closure of the account. So, although I appreciate the account closing will have inconvenienced Miss A I'm satisfied Nationwide have acted fairly and complied with the terms of the account and the regulations.*

*I understand that Miss A wants Nationwide to explain the reason it applied the block to her account and subsequently close it. She has said she has been a long-standing customer so should have been treated better. But Nationwide doesn't disclose to its customers what triggers a review of their accounts. And it's under no obligation to tell Miss A the reasons behind the account review and closure, as much as she'd like to know. So, I can't say it's done anything wrong by not giving Miss A this information. And it wouldn't be appropriate for me to require it to do so.*

*In summary I appreciate Miss A will be disappointed with my provisional decision but on the evidence, I've seen I'm satisfied Nationwide were entitled to review and close the account and acted fairly in doing so. it follows I won't be awarding Miss A any compensation.*

## **Responses to my provisional decision**

Miss A hasn't made any further comments following my provisional decision. Nationwide have also not made any further comments following my provisional decision.

Now both sides have had an opportunity to comment I can go ahead and issue my final decision.

### **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.

Although Miss A and Nationwide have not provided any further comments, I have nevertheless re-considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. I have seen nothing to change my mind and so my provisional findings stand. I remain of the view that this complaint should not be upheld for the reasons set out in my provisional decision, which are repeated above and form part of this decision.

### **My final decision**

For the reasons stated above I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 7 May 2024.

Esperanza Fuentes  
**Ombudsman**