

The complaint

Mr M complains Nationwide Building Society won't give him access to the money in his account and won't let him take out more than £100 a week.

What happened

Mr M opened an account with Nationwide in July 2023 – it has a substantial balance.

In December 2023 Mr M contacted our service to say that Nationwide had frozen his account and that he had no access to his funds. He says Nationwide froze his account after he refused to give information about why he wanted to make a cash withdrawal and about purchases he'd made. He says the information Nationwide was asking for was private and personal. We set up a complaint for Mr M and let Nationwide know he'd come to us.

Nationwide looked into Mr M's complaint and said that it had frozen his account because it was concerned he was being scammed. And that's why it had asked him for the information in question. Nationwide said it had placed a restriction on Mr M's account solely to protect his account and that these restrictions were placed on his account following an attempt by him to make a large cash withdrawal which caused concern. Mr M was unhappy with Nationwide's response and asked us to look into his complaint.

One of our investigators looked into Mr M's complaint and said that they didn't think Nationwide had done anything wrong. Mr M disagreed and asked for his complaint to be referred to an ombudsman for a decision. His complaint was, as a result, passed to me.

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.

Last month, having spoken to both parties at length, I issued a provisional decision in which I said:

"I can understand why Nationwide was concerned that Mr M was being scammed given the size of the cash withdrawal he wanted to make in September 2023, a couple of large transactions before this cash withdrawal and the fact that Mr M wasn't willing to provide, for example, invoices or additional information in relation to these transactions. I can also see that Mr M has, at times, given inconsistent answers when asking for information. So, Nationwide did what we'd expect a business to do when it's concerned that one of its customers is being scammed, namely put a block on the account whilst it gathered further information."

I then went on to say:

"That was, however, almost several months ago now and the account is still frozen. I've said to both parties that something ought to have been given by now. I've also said to both parties that I would have expected Nationwide to have allowed Mr M to access

more than £100 a week in the meantime.”

In my provisional decision I said that I could see that Mr M was receiving more than £100 a week in benefit income from the DWP meaning Nationwide weren't allowing him access to all of his benefit income. I said that I accepted that Mr M had bills he was unable to pay as a result, and that he'd had to borrow money from people and owed money too. So, I asked Nationwide to explain how it had arrived at the £100 figure and to send me a copy of its policies explaining how it decides how much money to allow a customer to access in a case like this. I also said that in a case like this – when a customer is insistent on withdrawing money and the business has concerns – the business has the option of invoking the Banking Protocol. I said I thought the deadlock needed to be resolved and the most obvious way – and the safest way – would be for Nationwide to invoke the Banking Protocol and to release Mr M's funds if the police had no concerns. Mr M told me that the police had already visited him and weren't concerned that he was being scammed, but that visit seems to have been as a result of his local authority becoming involved rather than as a result of Nationwide.

Putting things right

Following my provisional decision and further discussions with both parties, Nationwide agreed to unfreeze Mr M's account so that he can switch to another provider with whom he's recently opened an account – a switch that has now gone through. In addition, Nationwide offered £500 in compensation for the unnecessary distress and inconvenience it has caused Mr M by keeping the block in place for too long. I would have been minded to award more compensation than that, but Mr M has told me that he's happy to accept Nationwide's offer. So, that's the award I'm going to make.

My final decision

My final decision is that I'm upholding this complaint and require Nationwide Building Society to pay Mr M £500 in compensation for the unnecessary distress and inconvenience it has caused in addition to the steps it has already taken to ensure he's been able to switch to another provider.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 22 May 2024.

Nicolas Atkinson
Ombudsman