

The complaint

Mr J complains that Nationwide Building Society didn't follow his instructions to close his accounts. Mr J adds that Nationwide did not let him know he owed them money.

To put things right Mr J wants compensation and Nationwide to refund him overdraft charges.

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.

Mr J had two current accounts with Nationwide – a Flex direct account and a Flex account. Mr J's Flex account had an agreed overdraft limit of £1,450.

Between January and February 2024, Mr J contacted Nationwide to close his accounts. In response, to Mr J's requests Nationwide sent Mr J letters explaining that it wasn't able to close Mr J's accounts, because at the time his Flex account was overdrawn.

Nationwide told Mr J that in order for them to be able to proceed with his closure request his balance needed to be zero. And that the interest charges on his account had been applied in line with its terms and conditions.

Mr J complained to Nationwide. He said no one at Nationwide had ever told him that he owed them money. He said nowhere on his account – in particular in his banking app did it say he owed money. Mr J says had the app showed he owed money he would have repaid the bank.

Mr J says he didn't owe Nationwide any money and the bank has stolen money from him, which he wants refunded. Mr J adds that Nationwide have just added a random charge to his account after he asked them to close his accounts, which isn't fair. And has caused him anxiety, stress and financial loss. So, he wants compensation and the charges refunded.

In response, Nationwide said it hadn't done anything wrong when it hadn't closed Mr J's accounts and that this was due to Mr J's account being overdrawn. It explained that their process is that they charge interest on an overdraft for the second month behind. So, the overdraft charges that were applied to M J's account in February 2024, were for the month of December 2023, when Mr J's account was overdrawn.

Nationwide said it had written to Mr J at his home address on three separate occasions to explain to him why it hadn't been able to follow his requests to close his accounts.

Nationwide also said that its banking app isn't designed to show any future debits. Mr J's banking app would only show any interest payments once debited from Mr J's account. However, Nationwide pointed out that it sends emails to its customers to advise them that

their account statement is ready to view and to log on to their online banking. And that Mr J would have seen any interest and charges on his monthly statements.

Unhappy with this response, Mr J brought his complaint to our service where one of our investigator's looked into what had happened.

After looking at all the evidence the investigator said Nationwide hadn't treated Mr J unfairly when it hadn't closed Mr J's account. She said this was because Mr J's account had been overdrawn and she was satisfied that Nationwide had explained this to Mr J on more than one occasion by writing to him at his home address.

The investigator looked at Mr J's account statements and said that Nationwide had applied the interest charges correctly. So, it hadn't done anything wrong in asking Mr J to repay these. She also said that whilst Mr J's banking app might not have shown the charges, his bank statements did. So, she didn't uphold Mr J's complaint.

Mr J remained unhappy. He said Nationwide had discriminated against him and maintained that Nationwide hadn't sent him any letters. He said the investigator had failed to consider what he would have seen as a customer when he logged onto the app which showed he had a zero balance. So, he says Nationwide have not treated him fairly. To put things right he wants compensation and the money he was charged for his overdraft refunded to him.

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.

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focused on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. But I have read all Mr J's submissions.

Mr J has said that Nationwide applied overdraft charges to his account when he wasn't overdrawn. He adds that he never received any letters from Nationwide and his banking app didn't show his account interest charges.

Nationwide has told us that their process of applying arranged overdraft interest is that this is debited from a customer's account for the second month behind. This means the overdraft charge of £40.29 that was applied to Mr J's account in January 2024 was for the month of November 2023, and the £41.27 charge applied to Mr J's account in February 2024 was for the month of December 2023.

I've looked at Mr J's bank statements and from the statement dated 5 December 2023, I can see that Mr J carried over an overdrawn balance of £1,445.01 from his November 2023 statement. At the bottom of this statement, it shows that Nationwide have applied a charge of £40.29 which would be debited from Mr J's account 28 days from the date of the statement (5 December 2023) – this was debited from Mr J's account on 2 January 2024. Mr J was then charged interest of £41.27 for his overdrawn balance during December 2023. This was debited from his account on 3 February 2024.

Mr J says the overdraft charges weren't visible to him in his banking app. I've taken on board Mr J's point about the app. But Nationwide's responsibility was to tell Mr J that he still had an overdraft balance. I'm satisfied that sending bank statements to his online banking app was adequate because he agreed to accept statements in this way when he signed up to Nationwide's banking app.

Nationwide also sent Mr J three letters in response to Mr J's requests to close his accounts. I've seen copies of these letters – dated 8, 15 January 2024, and 2 February 2024. Each letter told Mr J that *'Thank you for your recent request to close your current account. Unfortunately, we were unable to close your account at this time due to outstanding charges which are not covered by the available balance.'* So, I'm satisfied that Nationwide made it clear to Mr J that his accounts were not closed and would not be closed until the balance was cleared.

I can see that each of the letters were addressed to the same address Mr J has provided to this service. I note too that Mr J hasn't made us aware of any problems he was experiencing with his post. I note too that shortly after the letters were sent Mr J cleared what he owed. So, when I weigh everything up, I think it's more likely than not that Mr J was aware his account was overdrawn and of how much he owed. And that Nationwide wouldn't close his account until he repaid what he owed.

From looking at the evidence, including how Mr J was operating his account and his account statements for the period December 2023 to February 2024, I'm also satisfied that Nationwide was entitled to charge interest on Mr J's overdraft balance. And that it did so in line with the terms and conditions of the account. So, I'm satisfied Nationwide have done what I'd expect them to do in the circumstances and haven't treated Mr J unfairly.

Finally, I appreciate Mr J has said he feels Nationwide has discriminated against him , although he hasn't gone into specifics about how the way Nationwide have treated him is related to any protected characteristics, I have taken on board what he's said – which I take to mean that he is saying it failed to make reasonable adjustments for him given his disability and health issues.

It is not my role to decide whether discrimination has taken place – only the courts have the power to decide this. I have, however, considered the relevant law in relation to what Mr J has said when deciding what I think is the fair and reasonable outcome. Part of this has meant considering the provisions of The Equality Act 2010 (The Act). And after looking at all the evidence, I've not seen anything to suggest that Nationwide treated Mr J unfairly.

I appreciate Mr J feels strongly about his complaint and I am sorry to have to disappoint Mr J on this occasion. I hope he understands the reasons for my decision and at least feels he has been listened to. But I won't be asking Nationwide to do anything more to resolve his complaint.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 9 December 2024.

Sharon Kerrison
Ombudsman

