

## **The complaint**

Ms O complains that Nationwide Building Society blocked and closed her bank accounts without providing a proper explanation. To put things right Ms O wants compensation and her account reopened.

## **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.

First, I should explain that I'm aware Ms O has raised about complaint with our service and that this has led to some confusion. For clarity, this decision will focus on the block Nationwide applied to Ms O's account in December 2023. And the subsequent closure of the account.

Ms O had a basic bank account with Nationwide. Ms O had been a customer of Nationwide for many years.

Ms O has explained that she used her basic account to receive her pension payments and to send money to her son, who will refer to as G. Ms O has also said that although she had other bank accounts, she preferred her Nationwide account as it provided her with the ability to make contactless payments, which made managing her finances much more convenient.

In December 2023, Nationwide reviewed Ms O's accounts. Whilst it reviewed the accounts Nationwide placed a block on the accounts. Ms O discovered her accounts were blocked when she visited a branch to withdraw money and her bank card was swallowed by an ATM. Ms O spoke to staff who told her that the bank was reviewing her accounts and she'd been unable to use them during the review.

Following this on 21 December 2023, Nationwide decided to close both the accounts immediately. Ms O appealed Nationwide's decision to close her account. But Nationwide maintained its position.

Unhappy with this response, Ms O brought her complaint to our service where one of our investigators looked into what had happened. After reviewing all of the evidence and circumstances, the investigator didn't think Nationwide had done anything wrong when it had blocked and closed Ms O's account.

Nationwide agreed with the investigators view. Ms O didn't. She said Nationwide treated her like a criminal and the closure of her account has impacted her health and made managing her finances very difficult.

As no agreement could be reached the matter came 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 appreciate Ms O was disappointed by the investigator's opinion and I can see that he has provided a detailed response to what she said about his complaint. I'd like to reassure Ms O that I've considered the whole file and what's she's said. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. No discourtesy is intended by me in taking this approach.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Nationwide has provided is information that we considered should be kept confidential. This means I haven't been able to share a lot of detail with Ms O, but I'd like to reassure her that I have considered everything.

As the investigator has already explained, banks and financial business in the UK, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. That sometimes means Nationwide need to review, or in some cases go as far as blocking and closing customers' accounts.

I've considered the basis for Nationwide's review, which includes the information Nationwide has shared with this service in confidence, and having done so I find this was legitimate and in line with its legal and regulatory obligations. So, I'm satisfied Nationwide acted fairly by blocking Ms O's account. I appreciate that Ms O wanted to know more at the time about why Nationwide did what it did. And feels she has been treated like a criminal. But Nationwide isn't obliged to tell Ms O why it blocked and reviewed her account, and I don't believe it would be appropriate for me to require it to do so as much as she'd like to know.

The terms and conditions of Mr H's account also make provision for Nationwide to review and suspend an account. And having looked at all the evidence, I'm satisfied that Nationwide have acted in line with these when it suspended Ms O's account. So, although I understand not having access to her account caused Ms O trouble and upset it wouldn't be appropriate for me to award Ms O compensation since I don't believe Nationwide acted inappropriately in taking the actions that it did when it blocked Ms O's account.

Whilst Nationwide are entitled to restrict a customer's account, I'd expect them to do so in timely manner. Ms O's accounts was blocked from 20 December until it was closed and Ms O was able to withdraw her closing balance, which she did on 27 December 2023. Given everything I've seen I can't say there were any undue delays.

I've then gone on to consider whether the bank's reasons for closing the account was fair. In doing so, I appreciate that Nationwide is entitled to set their own policies and part of that will form their risk criteria. It is not in my remit to say what policies or risk appetite Nationwide should have in place. This can be due to a number of reasons and a bank isn't obliged to give a reason to the customer. Nationwide has provided some further details of its decision-making process, I'm sorry but I can't share this information with Ms O due to its commercial sensitivity.

Ms O had a basic bank account with Nationwide. 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 had to consider the provisions of the Payment Accounts Regulations Act 2015 (PAR's 2015). Amongst other things these set out when an account provider can close a basic bank account. These outline that Nationwide can close a customer's account with two months' notice, and in certain circumstances they can close an account immediately, which is what happened here.

Under the PAR's 2015 immediate closure of a basic bank account 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.

For Nationwide to act fairly here they needed to meet the criteria to apply their terms for immediate closure – and having looked at these terms and all the evidence, including how Ms O was operating the account, I'm satisfied that Nationwide did. So, it was entitled to close the account as it's already done and end its relationship with Ms O. I'm also satisfied this conduct meets the definition of the criteria set out under the PAR's 2015, which allow for immediate closure. This means I won't be asking Nationwide to reopen Ms O's account.

In summary, having considered everything, while I appreciate Ms O's strength of feeling and why she feels she's been treated unfairly, I'm not persuaded Nationwide acted unreasonably or unfairly in the circumstances. So, I won't be asking Nationwide to do anything.

### **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 Ms O to accept or reject my decision before 12 March 2025.

Sharon Kerrison  
**Ombudsman**