

## The complaint

Mr G complains, via his attorneys, about Nationwide Building Society withholding account funds, and confusing and unreasonable requirements for evidence to support withdrawals.

## What happened

Mr G holds an account with Nationwide which is managed by three of his relatives via a power of attorney (POA) on his behalf, and this is registered with Nationwide.

Mr G's attorneys said that following flooding at Mr G's home his insurance claim was paid and funds were available for restoration, and fittings. They visited a Nationwide branch to make two withdrawals of £5,000, each to a separate attorney. Nationwide refused and requested invoices and/or quotes to show how the funds would be spent and suggested the attorneys could order a debit card to make it easier. But they said Nationwide wouldn't allow withdrawals from the account or reimburse them for purchases using their own funds.

Mr G's attorneys complained to Nationwide saying it had made accessing his account impractical and unclear, with conflicting information as to its requirements to withdraw funds or get refunded. The attorneys are also unhappy that Nationwide had since told them a debit card was not available for the account and had given them incorrect advice about this. They said one of their cards isn't working requiring a branch visit to withdraw funds.

Nationwide apologised for confusion in having said it wouldn't need evidence for withdrawals when it did, and inconvenience regarding requests to obtain funds via the POA. Nationwide apologised for incorrect information about a debit card as the POA requires all three holders to be present. Nationwide paid £200 compensation to Mr G and £75 for each attorney and £20 for their expenses. Nationwide said its staff correctly refused withdrawal of the £10,000, as it has a duty of care to their customer and must ensure funds are used for his benefit.

Nationwide said evidence was provided when the attorney withdrew £9,000 to cover soft furnishings and this should continue. In answer to the attorneys' point about the restrictions also applying to Mr G's attempts to make withdrawals Nationwide said on its records, Mr G is described as '*mentally incapable*' and so it wouldn't take his authority about withdrawals.

Mr G's attorneys weren't happy with Nationwide's response and referred the complaint to our service. Our investigator said we can't ask Nationwide to set aside protection of a customer's account and it was reasonable to request evidence in respect of the attorneys' payments. But Nationwide was unclear in its requirements and for small sums and this wasn't always practical and prevented the attorneys from obtaining reimbursement.

The investigator said Nationwide wrongly advised the attorneys about a debit card which caused confusion. But said we can't award compensation as the attorneys aren't the account holders or customers of Nationwide in relation to this complaint. She said Nationwide should clarify the evidence required for larger purchases/withdrawals and be clear what it requires for the withdrawals for smaller purchases, particularly in relation to quotes.

Mr G's attorneys responded that Nationwide had only latterly clarified that receipts should contain Mr G's name and address, and this was for all amounts. They said all sums have been refunded to them, but sometimes only after several weeks. They said Mr G is limited to £100 per week which should be available by returning his debit card so he doesn't have to go to the branch and await permission, which is demeaning.

Nationwide accepted the outcome and clarified its evidence requirements for withdrawals and said it can only limit withdrawals at the branch. It said the attorneys are aware the account is under review by its Specialist Support Team, but it hadn't spoken to Mr G to confirm there are no concerns. It said its branch staff have no concerns about Mr G's mental capacity, but its system shows him as incapable so ordering a card for him may not be the best way forward. It said more information on his capacity would help it in the longer term.

Our investigator sent an updated view upholding the complaint due to the inconvenience and time in Nationwide's blocking of Mr G's account during its 'review'. She said a review was justified but the delay meant Nationwide should compensate Mr G an additional £500 for his inconvenience. And it should reinstate his debit card with the appropriate withdrawal limits.

Mr G's attorneys agreed with this outcome. They said the reinstatement of Mr G's debit card with a limit or limit on cash withdrawals from a branch, as well as a reasonable limit for refunds to the attorneys without receipts of say up to £300 would be acceptable. They said the £500 compensation to Mr G is only fair after what Nationwide has put him through.

Nationwide disagreed and requested an ombudsman review the complaint. It said the POA confirmed Mr G is mentally incapable, and all three attorneys are to be present for account decisions. Its branch staff felt they were being asked to bend the rules to allow access but followed the correct process by requiring evidence of use of the funds. Nationwide said no withdrawals will be allowed unless evidence is provided by the attorneys in line with internal safeguarding measures and in compliance with legal and regulatory obligations.

Nationwide said allowing a debit card for Mr G isn't something it can agree to as it would expose Mr G to the potential of financial abuse. Nationwide also said the delays Mr G experienced for which the £500 compensation was recommended were not as a result of the service it provided as it depended on an external body to respond, but it hadn't done so.

### **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.

Mr G's attorneys make the point that they are appointed attorneys by the Office of the Public Guardian and have the authority to utilise Mr G's funds for his benefit without having to seek permission from Nationwide.

This is correct so far as it goes, but Nationwide has a regulatory responsibility to identify and protect vulnerable customers and it's clear that it had concerns about financial abuse in relation to Mr G and his account. Mr G's attorneys said that they wanted to monitor Mr G's account, *'giving him freedom back without risking him blowing all his money as he has done in the past'*. I think this comment would appear to support Nationwide's concerns about Mr G's handling of his account. There is also a requirement from the POA that all three attorneys act jointly, and this makes financial arrangements more difficult to accomplish.

From what it knew about Mr G I can see why Nationwide put the account under review and I think this was in line with its requirement to protect vulnerable customers. It follows that Nationwide acted reasonably to request evidence in support of larger withdrawals from Mr

G's account. However, I agree with the investigator that it needed to provide the attorneys with clear information on what form this should take. And further, as to how they are to make smaller purchases for the benefit of Mr G without having to spend their own money first. This was particularly the case when they were spending their own funds to restore Mr G's home.

The attorneys had to use their own funds and then claim a 'refund'- some of which were held up due to the evidence not being accepted by Nationwide. I don't think Nationwide applied its processes fairly in relation to smaller purchases as I think the criteria for evidence was unclear. I think it would be fair for Nationwide to apply a limit for authorising withdrawals based on till or automated receipts for purchases up to £300.

Nationwide has said the requirements for evidence and the restrictions on Mr G's account apply while its Specialist Support Team is reviewing the account and will end when the review is completed. This has been a period of great inconvenience for Mr G and his attorneys who were subsequently blocked from the account, and I sympathise with them. Nationwide isn't required to share its reasons for a review, but should have complete these reviews without causing undue inconvenience to account holders and attorneys.

Our investigator questioned the eight months Nationwide has taken reviewing the account and said this is unreasonable with no indication of a conclusion. Nationwide describes a breakdown of communication and service failings between constituent support units, and this appears to have accounted for much of the delay. I understand that Nationwide considers its Specialist Support Team as an external body, but I think that's not a point of concern to Mr G, he has been subject to the delays that come from this breakdown of communications.

Nationwide has said that Mr G's POA states that he is mentally incapable. This comment is not included within the document and the attorneys confirmed that Mr G has never been medically diagnosed as mentally incapable. It appears to be a comment Nationwide has added to the account notes after they initially requested restrictions on his withdrawals. I can appreciate Nationwide's wish for more information about Mr G.

I agree with the investigator that Nationwide has held the review restrictions on the account for too long, and I don't think it has considered the impact on Mr G and his attorneys. They have all had to attend Nationwide's branch much more than would otherwise be necessary and Mr G has felt demeaned by the open questioning he has faced there. I think Nationwide should compensate Mr G for the distress and inconvenience it has caused him.

The attorneys would like Mr G's debit card back, so he doesn't have to go to a branch of Nationwide to get cash out. I think Mr G has been put to considerable inconvenience by Nationwide stopping him from using his debit card and restricting him to £100 cash withdrawals per week by attending the branch. Nationwide said Mr G's card will activate again when it removes the blocks. I urge Nationwide to consider removing the block on Mr G's card, if it hasn't already done so, but I stop short of requiring Nationwide to do so as it insists it is acting in compliance with its legal and regulatory obligations.

Nationwide has confirmed Mr G's account review will conclude when the invoices for the repairs to Mr G's home have been provided and the blocks will be removed. Nationwide says this was agreed by phone call on 11 June 2024 to one of the attorneys. I've listened to this call in which the attorney asks why the cards are still blocked and Nationwide apologised for the ongoing delay in reviewing Mr G's account. Nationwide requested the invoices be sent for the work on Mr G's home. If that hasn't happened yet and the attorneys wish they can send us a screenshot of invoices and we will forward this to Nationwide. At this point Mr G or his attorneys can close Mr G's account, in accordance with their stated wish.

### **Putting things right**

Nationwide has already paid Mr G £200 compensation. The unacceptable length of time that the account has been under review, the uncertainty of Nationwide's evidence requirements

and the need for Mr G as an elderly man to attend a branch for considerable amounts of time in order to obtain a cash withdrawal amount to a significant level of inconvenience and distress on his part. I think the further compensation of £500 recommended by the investigator for Mr G is a fair and reasonable response to the impact these events have had upon him.

### **My final decision**

For the reasons I have given it is my final decision that the complaint is upheld. I require Nationwide Building Society to pay Mr G further compensation of £500 for the distress and inconvenience that he has been caused.

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

Andrew Fraser  
**Ombudsman**