

The complaint

Mr D complains Nationwide Building Society (“Nationwide”) blocked his account and provided poor customer service and communication when unexpected funds were sent to his account.

To put things right, Mr D wants an apology and £500 in compensation for the distress and inconvenience he’s suffered.

What happened

The details of this complaint are well known by both parties, so I won’t repeat them again here. Instead, I’ll focus on giving my reasons for my 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.

Having done so, I have decided to uphold this complaint in part. I’ll explain why.

Financial businesses in the UK, like Nationwide, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means Nationwide needs to restrict, or in some cases go as far as closing, its customers’ accounts.

I’d also add here that Nationwide has obligations to ensure that it is protecting its customers from suffering financial harm. When Nationwide received a report from a third-party bank that Mr D had received fraudulent funds, it immediately blocked his account to carry out a review.

Mr D said he knew nothing about the funds and provided the information Nationwide asked him to. After reviewing this, Nationwide unblocked Mr D’s account around 48 hours after it had been blocked.

I know Mr D was left anxious whilst this happened, and I can understand why he felt he’d been treated like a criminal. But I’m satisfied Nationwide acted in line with its obligations by blocking the account and carrying out a review to understand what had happened.

Nationwide concluded its investigation within 48 hours. From the information I’ve seen, I’m satisfied it acted in a timely manner and didn’t cause any avoidable delays.

That brings me onto the crux of Mr D’s complaint. That is, what he says Nationwide did wrong both in terms of its customer service and communication.

Nationwide has provided me with its internal call notes and the letter it sent to Mr D after unblocking his account that set-out what he needs to do to protect himself from such events happening again.

Nationwide concluded Mr D was likely an unwitting money mule. But Mr D maintained from the beginning he knew nothing about the funds being sent to him, nor had he agreed that someone else could use his account. So I can understand why he found Nationwide's letter which talks about his account being closed and/or serving prison time offensive and alarming.

Nationwide say this letter was sent as a standardised education response when a potential money mule situation arises. Having read it I can see why it would help educate its customers. But equally, in Mr D's case, I can see why it caused him offense.

Mr D also wasn't happy with having to make calls, being left on long holds and when a call dropped, that he wasn't called back. Nationwide accepted it had got this wrong and offered Mr D £100 to say sorry. Mr D's immediate reaction to wanting an update and contacting Nationwide is understandable. But he wasn't likely going to get a meaningful answer until Nationwide carried out its review – which I've already said was done in a timely manner.

Having carefully considered what Mr D has said about this, and weighing up what I've said above, I'm persuaded £100, which Nationwide has already offered, is fair compensation for the distress and inconvenience the customer service and communication issues caused Mr D.

In reaching this finding, I've had to mitigate this against Nationwide meeting its obligations to protect itself and Mr D from financial harm as its not in doubt he had received unknown and unexpected funds into his account.

My final decision

For the reasons above, I have decided to uphold this complaint. Nationwide Building Society must now pay Mr D £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 19 August 2024.

Ketan Nagla
Ombudsman