

The complaint

Mr Y complains that Nationwide Building Society (Nationwide) blocked and closed his account.

What happened

Mr Y had an account with Nationwide.

On 24 February 2024 an amount of money was transferred into Mr Y's account. It was transferred out again on the same day.

On that day Nationwide blocked Mr Y's account. And it asked Mr Y for information about the amount that had been transferred in and out of his account.

On 28 February 2024 Mr Y told Nationwide the amount was a result of selling his computer to a person he met in a shop while abroad. He said the individual paid for the computer in GBP via a transfer that was made by a further third party. And the transaction was witnessed by the shopkeeper. Mr Y later produced a letter which said it was from the shopkeeper who said he'd witnessed the sale of the laptop.

Nationwide wasn't satisfied the information Mr Y provided was sufficient to show Mr Y was entitled to the funds.

On 29 February 2024 Nationwide told Mr Y it had decided to close his account in 90 days. It decided the block on the account should continue. So Mr Y couldn't access the remaining funds in the account unless he provided sufficient evidence proving he was entitled to the funds Nationwide had asked about.

Mr Y complained to Nationwide.

Nationwide said it hadn't made any errors. It said from time to time Nationwide might ask Mr Y for information to help it meet its anti-money laundering, financial crime, sanctions and other legal and regulatory responsibilities. It said the reason it had decided to close Mr Y's account was it had concerns over the credits he'd received and it hadn't been able to obtain sufficient information or evidence from Mr Y about those credits.

Mr Y referred his complaint to this service. He said Nationwide had blocked and closed his account after he sold his computer. He said it was unreasonable for Nationwide to request an invoice for the sale because the transaction was between two individuals. And he said the buyer of the computer hadn't responded to his attempts to make contact.

Mr Y said Nationwide's actions meant several payments expected in his account were disrupted. But one payment of about £140 went through and the amount was seized by Nationwide. Mr Y said he owned an online business and the suspension and closure of his account caused him to lose profits by missing out on deals. He also said the suspension happened while he was overseas and his Nationwide debit card was the only card he had

available, and his Nationwide account was his primary account. And he said he was prevented from fulfilling his financial obligations, including '*sending someone £120*'.

One of our investigators looked into Mr Y's complaint. She didn't think Nationwide had done anything wrong. She said it closed Mr Y's account in line with its terms and conditions. It requested evidence from Mr Y to show his entitlement to funds which came into the account, but the evidence he provided wasn't enough to demonstrate that entitlement. Although the investigator appreciated the inconvenience Mr Y had experienced, she couldn't say Nationwide had done anything wrong. So she couldn't ask Nationwide to do anything different.

Mr Y didn't agree with the investigator's view. He said he'd cooperated with Nationwide's requests for information. And Nationwide's actions had caused him significant financial harm.

Because no agreement could be reached, the complaint was passed to me to review afresh and make a 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'm not upholding the complaint. I'll explain why.

I first want to set out that our rules allow this service 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 for our investigation of Mr Y's complaint is information we consider should be kept confidential. This means there's some detail I won't share with Mr Y. But I'd like to reassure him I've considered everything.

The information I've accepted in confidence from Nationwide is of a nature that shows Nationwide had fair reasons for blocking and closing Mr Y's account. Banks are under strict legal and regulatory obligations. They must follow those obligations without unduly inconveniencing their customers. And I'm satisfied Nationwide was fairly pursuing its legal and regulatory obligations when it blocked Mr Y's account and it had fair reasons for closing the account. And it acted in line with the terms and conditions of Mr Y's account.

Mr Y has said he cooperated with Nationwide's requests for information. But having seen the requests, and what Mr Y provided in response, I don't think it was unfair or unreasonable for Nationwide to remain dissatisfied with the evidence he provided. Mr Y was unable to provide any evidence that I can say should've convinced Nationwide of the source of the funds in his account. The shopkeeper's letter didn't show the source of the funds. I understand why Mr Y said he couldn't produce an invoice – and I'm aware he said the purchaser of the computer wasn't responding to him. But the difficulties Mr Y was having obtaining evidence don't give me a basis to say Nationwide should've been satisfied with what it received. As I've said, Nationwide had important legal and regulatory responsibilities to fulfil, and it was entitled to decide that what Mr Y had provided wasn't enough.

I understand the financial impact Mr Y says he suffered as a result of Nationwide's actions. But because I haven't found Nationwide acted unfairly, I can't say it should compensate Mr Y for the financial impact he's described.

I know Mr Y is likely to be disappointed with my decision. But having considered everything carefully, I can't say it was unfair for Nationwide to block and close his account the way it did.

My final decision

For the reasons I've set out above, my final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 25 November 2024.

Lucinda Puls
Ombudsman