

The complaint

Mr R complains that Nationwide Building Society unfairly blocked his account and took too long to release his money. Mr R says this has caused him financial problems, upset, and impacted his mental health. Mr R wants compensation.

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 R had a current account with Nationwide. Mr R has explained that he used the current account to receive his DWP payments and to pay for everyday living expenses such as buying groceries and paying his bills.

On 16 May 2023, Nationwide reviewed Mr R's account. Whilst it completed its review Nationwide blocked Mr R's account. This meant Mr R wasn't able to access any money in his account. Nationwide emailed Mr R to let him know it was reviewing his account.

After receiving the email, Mr R contacted Nationwide to find out what was happening with his account, but Nationwide wouldn't give him much information. The bank also told Mr R that it couldn't give him a timeframe of when it would finish its review. Mr R was very unhappy and said that he needed access to his account to buy food. Mr R told Nationwide that the bank had previously blocked his account in May 2022, so it wasn't fair that it was doing the same thing again. He said the bank staff were abusing their powers and should be sacked.

Mr R told Nationwide that because he couldn't access the money in his account, he had to resort to asking his neighbours for food. He said he was starving, and his mental health was severely impacted, which caused him to consider suicide.

Nationwide completed its review on 24 May 2023. Following this Nationwide decided to close Mr R's account immediately and wrote to Mr R to tell him that he'd need to make alternative banking arrangements. Nationwide then transferred Mr R's closing balance to another account he held with a different bank.

Mr R complained to Nationwide about the block on his account. In response, Nationwide said it hadn't done anything wrong and had blocked Mr R's account to comply with its legal and regulatory obligations. It also said that the terms of Mr R's account made provision for this and referred him to the relevant section in the account terms. Nationwide explained that it had blocked Mr R's account as it hadn't received all the information it asked him to provide when it blocked his account in May 2022.

Unhappy with this response Mr R brought his complaint to our service where one of our investigators looked into what had happened. After looking at everything, the investigator said that Nationwide hadn't treated Mr R fairly when it had blocked his account. And said it could have completed its review sooner. To put things right the investigator said Nationwide should pay Mr R £100 compensation for the trouble and upset the block on his account had caused him.

Nationwide disagreed with the investigator's view and said it had not acted unfairly. It said it had been complying with its legal and regulatory obligations. However, it reluctantly agreed to pay Mr R £100 as the investigator recommended.

In response to the investigator's view, Mr R said £100 doesn't adequately reflect the amount of distress and inconvenience he has suffered. He said he was forced to beg from his neighbours and was arrested by the police twice because of Nationwide's actions, after he'd attended a branch to complain. So, he says £100 is an insult considering the amount of humiliation he has had to endure. Mr R says, if necessary, he will take the matter up with the police and the courts.

As no agreement could be reached the matter came to me to decide. After reviewing all of the evidence I issued a provisional decision setting out why I had come to a different conclusion to the investigator. My provisional decision said the following:

I appreciate Mr R was disappointed by the investigator's opinion and I can see that he has provided a detailed response to what the investigator said about his complaint. I'd like to reassure Mr R that I've considered the whole file and what's he's said – to us and Nationwide. 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 financial businesses as confidential for a number of reasons – for example, if it contains information about other customers, security information or commercially sensitive information. It's then for me to decide whether it's fair to rely on evidence that only one party has seen. It's not a one-sided rule; either party to a complaint can submit evidence in confidence if they wish to, and we'll then decide if it's fair to rely on it. Here, the information is sensitive and on balance I don't believe it should be disclosed. But it's also clearly material to the issue of whether Nationwide has treated Mr R fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.

Firstly, I want to address Mr R's comments about whether Nationwide's actions were legal. And his suggestion that there should be a police investigation into the actions of the staff who blocked his account. Mr R has made some serious allegations against Nationwide – that staff are abusing their positions and taking part in criminal behaviour. I want to assure Mr R that I've not seen any evidence that this is the case.

We've asked Nationwide to provide information about its rationale for blocking Mr R's account. I would expect it to set out for our service the full details of all its interactions with Mr R when asked to do so. And the events which led to it blocking and then closing Mr R's account. I've not seen any evidence that would suggest it hasn't done so. And I don't think as Mr R seems to fear, that there is anyone within Nationwide who is deliberately misleading or withholding information from this service.

I should also explain that our service is an informal alternative to the courts. I can't make a finding as to whether the law has been broken, and I don't need to in order to decide this complaint. I also want to make it clear that this service is not the regulator of financial

businesses, and we don't police their internal processes or how they operate generally. That includes what it does to ensure it complies with its legal and regulatory obligations. I know Mr R says staff at Nationwide should be sacked, but it's also not for me to tell Nationwide who it should or shouldn't employ. We can't make Nationwide change its policies or procedures either. That's the role of the regulator, The Financial Conduct Authority.

I next turn to the block on Mr R's account. For context it may help to explain that Nationwide has important legal and regulatory obligations it must meet when providing accounts to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. To comply with its responsibilities Nationwide will monitor accounts and carry out specific or occasional checks, which is common industry practice, which is what Nationwide did here. This can occur at any time, and as often as a bank deems necessary. Nationwide isn't obliged to forewarn its customers either that it intends to block a customer's account.

It's the bank's duty to reasonably ensure accounts are being used in the way they should and to protect the money which is held in them. In order to fulfil these obligations, banks sometimes block an account. Mr R's account terms and conditions also permit Nationwide to block an account. Based on all the evidence I've seen I'm satisfied that Nationwide were acting in line with these obligations and the account terms when it blocked Mr R's account in May 2023. So, I can't say Nationwide treated Mr R unfairly when it decided to block and review his account.

Nationwide has provided some further details of its decision making process, which led to the block and review of Mr R's account. I've seen evidence that Nationwide asked Mr R for additional information so that it could understand Mr R's account activity and entitlement to funds paid that were paid into his account in 2021 and 2022. Mr R provided some information when asked in May 2022 which led to Nationwide unblocking his account. But Nationwide told Mr R it still wanted more information from him which included invoices relating to some of the transactions. To date this information hasn't been provided by Mr R.

Having reviewed everything, I've seen nothing to suggest Nationwide's decision around blocking and reviewing Mr R's account in May 2023, was unfair. On balance when considering Nationwide's wider regulatory responsibilities and all the information available to me, I find Nationwide had a legitimate basis for blocking Mr R's account. So, it would not be appropriate for me to ask Nationwide to pay Mr R compensation since I don't find Nationwide acted inappropriately when it blocked his account.

I understand Mr R wants Nationwide to explain the reason it blocked his account. He's pointed out that this isn't the first time he's been blocked from using his account. So, understandably, he's upset. But Nationwide doesn't disclose to its customers what triggers a review of their accounts to its customers. It's under no obligation to tell Mr R the reasons behind the account review, as much as he'd like to know. So, it wouldn't be appropriate for me to require Nationwide to do so now. In reaching this conclusion However, I note that Nationwide did explain to Mr R in its final response letter dated, 22 May 2023, that the block on his account related to the outstanding information that it had requested Mr R to provide when it blocked his account in 2022. So, I think Mr R had some idea of why Nationwide restricted his account.

Whilst Nationwide are entitled to restrict a customer's account, I'd expect them to do so in timely manner. Mr R's account was blocked from 16 – 24 May 2023. Mr R has explained that the block on his account caused him a lot of financial problems, most significantly he's said he had to ask neighbours to help him buy food so that he could eat. Mr R has provided a letter from his neighbour in support of how the bank's actions impacted him, which I've read. He also said that his mental health was severely impacted over a number of days. So

much so that he considered suicide. So, I accept that Nationwide's actions caused Mr R trouble and upset.

Whilst I understand how Nationwide's actions impacted Mr R, given everything I've seen I can't say there were any undue delays. Mr R's account was blocked for nine days', so I've looked at what Nationwide were doing during this time. Having done so, I'm satisfied that Nationwide were proactive in completing its review, which included having to complete administrative processes in order to comply with its legal and regulatory obligations. I note too that Nationwide responded positively to Mr R's circumstances and expediated what it needed to do so that it could remove the block from Mr R's account and release his balance back to him as quickly as possible. So, I can't conclude Nationwide treated Mr R unfairly in taking the time it did to complete its review.

In summary, I realise Mr R will be disappointed by my decision. And I appreciate it must have been a worrying and frustrating time for him. But having looked at all the evidence and circumstances of this complaint, I can't conclude that Nationwide have treated

Mr R unfairly when it blocked his account. So, I don't intend to direct Nationwide to do anything to resolve Mr R's complaint.

Neither party responded to my provisional decision.

Now both sides have had an opportunity to comment I can go ahead and issue my final 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.

As neither party has provided anything new for me to consider, I see no reason to depart from my provisional findings. I remain of the view that this complaint should not be upheld for the reasons set out in my provisional decision, which are repeated above and form part of this decision.

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 R to accept or reject my decision before 20 November 2024.

Ombudsman