

## **The complaint**

Mrs P and Mr P are unhappy with several aspects of the service they received from Nationwide Building Society surrounding restrictions applied to their account.

## **What happened**

Mrs P and Mr P found that they were unable to use their Nationwide debit card. They contacted Nationwide about this and were told that Nationwide had concerns over a credit of £180 that had been received into their account.

Mrs P and Mr P provided the information about the received payment to Nationwide, but it took Nationwide a further two weeks to remove the restrictions from their account. Mrs P and Mr P weren't happy about this, and they also weren't happy that Nationwide debited £32.45 from their account without their permission. So, they raised a complaint.

Nationwide responded to Mrs P and Mr P but didn't feel that they'd done anything wrong by administering Mrs P and Mr P's account in the manner that they had. Mrs P and Mr P weren't satisfied with Nationwide's response, so they referred their complaint to this service.

One of our investigators looked at this complaint. They didn't feel that Nationwide had acted unfairly by restricting Mrs P and Mr P's account while they investigated the payment they had concerns about. But they did feel that Nationwide had acted unfairly by debiting £32.45 from Mrs P and Mr P's account without their permission.

Nationwide didn't agree with the view of this complaint put forward by our investigator, so the matter was escalated to an ombudsman for a 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.

I issued a provisional decision on this complaint on 11 October 2024 as follows:

*My provisional decision is that I won't be upholding this complaint or instructing Nationwide to take any further action here. This includes that I won't be instructing Nationwide to reimburse the £32.45 to Mrs P and Mr P as recommended by our investigator, or instructing Nationwide to provide any further information to Mrs P and Mr P as to why that amount was debited from their account.*

*The reason I take this position is because there can be instances where a bank has legitimate concerns about money that is received into an account. And having reviewed the information presented to this service by Nationwide, I'm satisfied that Nationwide did have legitimate concerns about the £180 credit that Mrs P and Mr P received into their account which led Nationwide to restrict the account and request information about that payment from Mrs P and Mr P.*

*In this instance, while there's no suggestion from either Nationwide or this service that Mrs P and Mr P were aware that the money that they were receiving into their account may have been concerning, it remains the case that Nationwide held valid concerns about that money.*

*Additionally, in scenarios such as this, it can be the case that it's right and fair to withdraw money (or the remaining portion of money) about which there are legitimate concerns from an account. And I'm satisfied that this is what has happened in this instance regarding the £32.45 that was withdrawn from Mrs P and Mr P's account by Nationwide.*

*I realise that Mrs P and Mr P would like to better understand what's happened here. But unfortunately, Mrs P and Mr P have been unwitting recipients of money about which there were legitimate concerns. And because the concerns originate with parties other than themselves, Mrs P and Mr P ultimately have no right to information about why the money in question was concerning.*

*I'm aware that Mrs P and Mr P received the £180 about which Nationwide held concerns from their daughter. But it should be noted that money about which there are legitimate concerns can be passed between several unwitting parties before it is located and before any review into the money can be completed. And so, it shouldn't be taken from the fact that the money Mrs P and Mr P received was of concern that there is any implication or accusation being made about Mrs P and Mr P's daughter.*

*I realise that this may be very frustrating for Mrs P and Mr P. But Nationwide's right to act as they have here is stipulated in the terms and conditions of the Nationwide account, to which Mrs P and Mr P accepted and agreed when they opened the account. This is as follows:*

*"From time to time, we may ask you to provide us with information to help us meet our anti-money laundering, financial crime, sanctions and other legal and regulatory requirements. You must promptly provide any information requested. If you fail to provide this information when asked to, this may result in us delaying or refusing to process your payments or blocking all access to your account. We will not be responsible for any losses which may result."*

*I also realise that Mrs P and Mr P have effectively lost £32.45 though no fault of their own. Thankfully, this is a relatively small amount of money. But regardless of the amount, as alluded to above, I'm satisfied that there can be instances where it's fair and proper for money to be taken from an account in a manner such as this. This may be, for instance, if another party has a more fundamental right to that money. And, ultimately, in circumstances such as this, I feel it's fair that money should be returned to the party with the most fundamental right to it.*

*Unwitting recipients of money that is then reclaimed from their account may have a civil case against the party that sent them that money. But, as explained above, it seems that it may be the case that the money in question here has passed through several unwitting parties before being reclaimed. And it's again noted that Mrs P and Mr P received the money from their daughter, who as per the above may herself have been an unwitting recipient of it.*

*I appreciate that the restricting of Mrs P and Mr P's account was particularly problematic for Mrs P and Mr P because they were due to go on holiday a few days after the account was restricted. But I hope that Mrs P and Mr P will understand, given what I've tried to explain above, why I don't feel that Nationwide did anything unfair or unreasonable by restricting their account as they did. Indeed, given the circumstances here, I don't feel that Nationwide had any viable alternative other than to restrict Mrs P and Mr P's account and to carry out the investigation into the received payment as they did.*

*Thankfully, Mrs P and Mr P were able to obtain money for their holiday so that the impact of what happened on them was reduced. Of course, this isn't to say that Mrs P and Mr P weren't worried and inconvenienced by what happened here. But is to say that I feel that any upset and trouble that Mrs P and Mr P did experience was an unfortunately necessary consequence of wider events that Nationwide had an obligation to act in response to. And because of this I don't feel that it constitutes an unfair act on the part of Nationwide.*

*Similarly, because of the convoluted nature of the wider events that I've referred to, I don't feel that it was unreasonable that Nationwide took as long as they did to complete their investigation and remove the restrictions from Mrs P and Mr P's account. And I'm pleased to note that Nationwide were able to remove those restrictions sooner than they explained to Mrs P and Mr P might be the case, given the situation.*

*Finally, Mrs P is unhappy that Nationwide would only speak with Mr P about this issue, despite the account being joint in both their names. I can appreciate Mrs P's frustration in this regard. But in matters such as this, I'm satisfied that it's for Nationwide to conduct their investigation as they see fit. And given that Mr P was able to respond to Nationwide's enquiries as quickly as he did, I don't feel that it caused any delay to the removal of the restrictions from Mrs P and Mr P's account.*

*Ultimately, as I hope I've been able to explain, I'm satisfied that what's happened here is that Mrs P and Mr P have, through no fault of their own, found themselves caught up in a wider matter of concern that fairly and reasonably prompted Nationwide to restrict and investigate their account, and to enable a reclaim of £32.45 from it.*

*As a result, while I acknowledge and appreciate Mrs P and Mr P's concern and frustration at what they understandably feel is a lack of transparency from Nationwide, I don't feel that Nationwide have acted unfairly or unreasonably toward them. And it follows from this that my provisional decision here is that I won't be upholding this complaint against Nationwide or instructing Nationwide to take any further or alternative action.*

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Both Mrs P and Mr P and Nationwide responded to my provisional decision and confirmed that they were in acceptance of it. As such, I see no reason not to issue a final decision here whereby I do not uphold this complaint on the basis described above. And I therefore confirm that my final decision here is that I do not uphold this complaint accordingly.

I'd like to thank Mrs P and Mr P for their understanding in this matter, and I again acknowledge that what took place here was unfortunate for them and happened through no fault of their own.

### **My final decision**

My final decision is that I do not uphold this complaint.

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

Paul Cooper  
**Ombudsman**