

The complaint

Mr H complains about delays and poor service after a payment was blocked by Nationwide Building Society.

What happened

Mr H has a Power of Attorney (POA) arrangement on his account where his brother (Mr H2) can act on his behalf. Mr H2 has confirmed that Mr H has a serious health condition that means he is vulnerable and needs help managing his finances.

Earlier this year, Mr H2 and his wife (who also holds POA for Mr H) arranged for a cleaner for Mr H. The cleaner attended Mr H's property and carried out the work required. Mr H2 went on to send an initial online payment of £10 to the cleaner from Mr H's account. When the £10 payment was successfully received, Mr H2 attempted to make a payment for £540.

Mr H2 has explained that he thought the £540 payment had gone through and no notification from Nationwide was received to say there was an issue. But when Mr H2 checked with the cleaner, he was told no payment had been received.

Mr H2 called Nationwide and visited one of its branches to try and find out what happened to the payment. But Mr H2 has explained Nationwide wasn't able to see any issue with the payment he'd sent. Mr H2 then visited another branch of Nationwide that was more local to him. Mr H2 says that after some time in branch, staff found a block was placed on Mr H's account which had also led to the online banking facility being removed. Mr H2 was asked to come back with some identification and asked various questions about the payment he tried to make. Mr H2 says he had to wait for his wife before he was able to answer all the questions Nationwide asked.

Once Mr H2 answered Nationwide's questions the payment was released and Mr H's online banking facility was restored.

Mr H2 raised a complaint on Mr H's behalf. Nationwide issued a final response on 9 July 2024 and advised it had sent a text alert to the number it had on file for Mr H. Mr H2 has confirmed Mr H didn't receive that text message as he'd recently changed his number. Nationwide said it was up to Mr H and his representatives to ensure an up to date number was recorded on his profile. Nationwide offered Mr H2 £125 in recognition of the inconvenience caused and paid it into his joint account on 17 July 2024.

Mr H2 referred Mr H's complaint to this service and it was passed to an investigator. They weren't persuaded Nationwide had acted unfairly or made a mistake by placing a temporary block on the payment. The investigator thought Nationwide had made a fair offer to resolve Mr H's complaint and didn't ask it to do anything else.

Mr H2 asked to appeal and said it was only through his actions that the impact on Mr H had been limited. Mr H2 added that when Mr H's online banking facility was temporarily removed he was concerned that a scammer had gained control of the account. Mr H2 explained that process of removing the block had involved various calls where incorrect information was

provided and branch visits which were unreasonably inconvenient. As Mr H2 asked to appeal Mr H's complaint it's been passed to me to 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.

I'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

I understand the payment Mr H2 made on Mr H's behalf was entirely genuine and intended to pay for a new cleaner. But Nationwide has confirmed the £540 payment was picked up by its fraud prevention systems for additional checks before it could be approved. And Nationwide has confirmed it sent Mr H a text message, using the phone number it had on file, asking for contact to discuss the payment Mr H2 instructed.

I've looked at Nationwide's terms and conditions and I'm satisfied they confirm it can place a block on payments where it has genuine suspicions it may be fraudulent. Here, whilst I accept Mr H2 successfully sent a £10 payment to the cleaner, the £540 payment was for substantially more. And the payee was still very new at the point Mr H2 sent the follow up payment. So whilst I accept that by placing a hold on Mr H's account and the payment of £540 Nationwide did cause some inconvenience, I have to balance that against its obligation to protect customer accounts. I'm sorry to disappoint Mr H2 but I haven't been persuaded that Nationwide made a mistake or acted unfairly when it held the payment and applied account blocks after it was picked up for additional checks.

Nationwide sent Mr H a text message when the payment was blocked but Mr H2 has confirmed he'd recently changed his phone number. I understand Mr H2 has authority under the POA arrangement to act on Mr H's behalf. But it's up to the account holder and their representatives to ensure up to date contact information is held by Nationwide. And I think it's fair to say that if the phone number had been updated to either Mr H's new number or Mr H2's number, Nationwide would've used that to try and make contact when the payment was held for further checks. I'm satisfied Nationwide made reasonable attempts to verify the payment after it was held for further checks.

With that said, I don't doubt what Mr H2 has told us about his calls to Nationwide and branch visits. Mr H2 was clearly worried about the delay in making the payment and I accept he was concerned about fraud. Mr H2 has explained that when he called and made the first branch visit Nationwide failed to identify the issue or take steps to approve the payment. It was only after Mr H2 made another branch visit and had to return home for identification that the payment and account block was removed. I accept Mr H2's claim that the way Nationwide initially dealt with his queries caused an unreasonable level of inconvenience for him.

Nationwide paid Mr H2 £125 to apologise for the issues he raised on Mr H's behalf. I should explain that the Financial Ombudsman Service has limited powers to award compensation. We can award compensation to a customer of a bank in recognition of any distress or inconvenience caused by its actions. But we have limited powers to award compensation to someone who's acting as a representative of the complainant. I can award compensation to reflect the level of inconvenience caused to a representative. But I can't award

compensation in terms of the upset or distress caused to a representative by a business' actions.

I can see that Nationwide paid Mr H2 £125 on 17 July 2024 in recognition of the inconvenience caused by the way it responded to Mr H's complaint and the number of calls and visits to branch he made to resolve the situation. In my view, the settlement Nationwide has paid is a reasonable reflection of the inconvenience caused to Mr H2 and is a fair way to resolve Mr H's complaint.

As I'm satisfied Nationwide has already paid a settlement that is fair and reasonable in all the circumstances, I'm not telling it to increase the award or take further action.

My final decision

My decision is that Nationwide Building Society has already agreed a settlement that is fair and reasonable in all the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 3 December 2024.

Marco Manente
Ombudsman