

The complaint

Mr and Mrs F say Nationwide Building Society (“Nationwide”) unfairly blocked their account and gave them incorrect information whilst they were on holiday. Mr and Mrs F says this caused them significant worry, distress and inconvenience.

What happened

The facts of this complaint are well known to both parties, so I won’t repeat them in detail.

Mr and Mrs F have a joint account with Nationwide. In July 2024, Mr F went into branch to make a large cash deposit of £89,000 into the account. This was counted in branch and the money was deposited into their account. However, it was then rectified to £85,000 following a call to Mr F.

Mr and Mrs F had booked a cruise for 12 – 29 August 2024. Mr and Mrs F had explained that the cruise was a ‘holiday of a lifetime’ and much needed due to Mr F suffering from a serious health condition.

On 6 August 2024, Nationwide’s credit card department telephoned Mr F. However, Mr F wasn’t happy with the call and suspected it was made by scammers. Mr F said he was uncomfortable being asked security questions, so he called Nationwide to check if the call was genuine. Unfortunately, Nationwide incorrectly told him that it hadn’t made the call. Following this on 9 August 2024, to comply with its legal and regulatory obligations, Nationwide’s account review team called, emailed and text Mr F to discuss the £85,000 cash deposit Mr F had made into his account in July 2024. The email asked Mr F to provide information about the source of the funds and to get in touch with Nationwide by 13 August 2024.

In response, fearing it was another scam, Mr F called Nationwide, to find out if the contact was genuine. Unfortunately, Nationwide incorrectly told Mr F that it wasn’t them that had contacted Mr F, so Mr F’s suspicions were confirmed. And he didn’t take any further action. Mr and Mrs F then went on their cruise.

Due to Mr F not providing information about the cash deposit when requested, Nationwide blocked Mr and Mrs F’s account on 15 August 2024. This meant Mr and Mrs F had no access to the funds in their account.

Mr F discovered that he wouldn’t access his account and called Nationwide from the cruise ship, however the advisor wasn’t helpful. Mr F disconnected the call and rang Nationwide again. During the second call Nationwide confirmed that they wanted Mr F to provide evidence of the source of the £85,000 he deposited in branch in July 2024.

On 20 August 2023, Mr F contacted Nationwide again by phone. He explained that he and his wife were on holiday. And needed access to the money in their account urgently. He also asked Nationwide to confirm if their bills and standing orders would continue to be paid from the account as he was worried about falling behind and getting into arrears. Mr F said the

advisor was rude, showed no care for his situation and kept repeating that Mr F needed to provide the information requested in order to have the block on the account removed.

Due to Mr and Mrs F being on their cruise, they told Nationwide that they didn't have access to any paperwork. However, they then remembered that they could get the necessary information from their solicitor who'd completed money laundering checks during conveyancing. So, Mr F contacted the solicitor from the cruise ship to get the paperwork.

On 20 August 2023, Mr F sent Nationwide information he'd obtained from the solicitor which showed the source of the £85,000.

On 21 August 2023, Mr F emailed Nationwide again asking them to confirm they had received the information. Nationwide responded that they had received the information and would review it as soon it could. And that Mr and Mrs F may need to open a new bank account.

On 22 August 2023, Mr F sent Nationwide another email asking them to confirm if direct debits were being paid and his pension payments had been received into the account. Nationwide didn't respond.

On 27 August 2023, Mr F called Nationwide again to chase up the review. Nationwide said it would try and complete what it needed to do as quickly as possible. Nationwide completed its review on 28 August 2024 and removed the block from Mr and Mrs F's account.

As a result of the block, Mr and Mrs F say they were caused significant emotional and mental stress. And their holiday became a living hell. Mr and Mrs F complained to Nationwide. In summary they said:

- Their cruise was ruined.
- They had to use their holiday excursion fund of £2,000, to pay for phone calls and internet use to contact Nationwide and their solicitors to obtain the information Nationwide wanted about the cash deposit. This was very expensive and charged at maritime rates.
- They were penniless when they left the ship having had no access to their money in their account. They had to use their cash to buy food and drinks. So, they had no money to buy their planned presents.
- They spent hours contacting Nationwide to try and sort things out and gain access to their funds, which meant they couldn't spend time enjoying their holiday. And couldn't get off the ship as they were on the phone to Nationwide.
- Nationwide destroyed their sense of safety, mental and physical health.
- When they departed the ship, they had £1.76 in their pocket, no money for a coffee and lunch stop or petrol for their 190-mile drive home.
- Nationwide refused to confirm that their bills were continuing to be paid from their locked account.
- Mr F was awaiting biopsy results, so Nationwide's actions made already challenging circumstances much more difficult.
- The amount of compensation offered isn't enough to compensate them for the amount of trouble and upset they have suffered. And their holiday being ruined. They want Nationwide to compensate them for the cost of rebooking a cruise so that they can enjoy what they'd planned.

- Mr F specifically asked if Nationwide needed any proof or documentation for the large amount of money he deposited as he had to send the proof documentation to his solicitors for their money laundering searches, but they were told that nothing was required so the money was deposited for the purpose of buying their dream home.
- When they called Nationwide the advisors, they spoke to were rude and shouted at them.
- Overall, their holiday turned into a nightmare, and they were put under enormous stress. They say Nationwide didn't show any empathy towards them and didn't take their circumstances into account.

In response Nationwide said it hadn't done anything wrong when it had decided to review Mr and Mrs F's account and had done so to comply with its legal and regulatory obligations. And had done so in accordance with the terms and conditions of the account. However, Nationwide accepted it didn't provide Mr and Mrs F with the service they should have expected and as a result Mr and Mrs F were caused significant worry, distress and inconvenience. In summary Nationwide said:

- Nationwide's credit card services had called Mr F on 6 August 2023. But when Mr F called Nationwide to confirm this was a genuine call, the advisor didn't ask enough questions to be able to identify where the call had come from and allay Mr F's fears that he been called by fraudsters.
- On 9 August 2023, Nationwide's account review team contacted Mr F to discuss the £85,000 deposit. However, when Mr F called because he was concerned it was scam, Nationwide incorrectly told Mr F that the request hadn't come from them, which confirmed Mr F's suspicions. This led Mr F taking no further action and his account being blocked.
- Had Nationwide given Mr F the correct information upfront when he first contacted them, this situation would likely have been prevented as Mr F was forthcoming with the information once he knew the request was genuine.
- Nationwide recognised there were missed opportunities and had the review been better managed initially when Mr F had called them, it would have likely prevented the account from being blocked and Mr and Mrs F wouldn't have been in the position they found themselves in on their cruise.
- Once the blocked had been placed on the account and Mr F called Nationwide, the service and communication he received from their review team was poor and only added to Mr and Mrs F's distress at the time. The calls could have been dealt with better and more sensitivity shown to their situation.
- To put things right Nationwide offered to pay Mrs F £3,000 compensation for the trouble and upset the matter has caused them. They also offered to reimburse Mr and Mrs F the costs they incurred making phone calls and sending emails from the cruise ship if they provided them with evidence of the costs.

Mr and Mrs F remained unhappy and brought their complaint to our service. They said the compensation offered by Nationwide isn't enough to cover the amount of stress, upset and inconvenience they have suffered. They explained that their holiday had been ruined. To put things right they want Nationwide to pay for the cost of another cruise, which is just under £7,000 and the associated costs.

One of our investigators reviewed the complaint. As part of the review she asked Mr and Mrs F to provide information about the cost of their cruise. And other expenses they incurred including phone calls and use of the internet whilst on board the cruise ship. In response, Mr F said he'd deleted all the paperwork relating to the cruise booking. And said

he didn't have any invoices for the costs of using the phone and internet to contact Nationwide and the solicitor. He provided a list of tips to bar staff, and bar spending. And the cost of travel insurance.

The investigator reviewed everything and said that whilst Nationwide were entitled to review the account it should have completed the review much sooner, given Mr and Mrs F's circumstances and the information they had about how the review was impacting them. They also said Nationwide had misadvised Mr F when he called to check the calls he had received were genuine. And that Nationwide had ignored Mr F's email about whether direct debits were being paid.

Taking everything into account the investigator said that Nationwide's offer of £3,000 compensation was fair.

Mr and Mrs F asked for an ombudsman to review the complaint. So, the matter has come to me to decide.

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 very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focused on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. But I have read all Mr and Mrs F's submissions.

As the investigator has already explained to Mr and Mrs F, Nationwide has important legal and regulatory responsibilities to meet when providing accounts to customers. Those obligations are ongoing and don't only apply when an account is opened. They can broadly be summarised as a responsibility to know its customer, monitor accounts, verify the source and purpose of funds, as well as detect and prevent other financial harm.

Nationwide will review accounts to comply with these responsibilities. It's common practice for banks and other financial service providers to conduct a review - doing so helps prevent potential financial loss or other harm that could result. The terms and conditions of Mr and Mrs F's accounts also make provision for Nationwide to carry out reviews. Having looked at all the available evidence I'm satisfied that Nationwide had a legitimate reason to review Mr and Mrs F's account and did so to comply with its legal and regulatory obligations.

It appears Mr and Mrs F have accepted this point. They are unhappy that Nationwide waited until they were on holiday to conduct a review – more than a month after they'd deposited the £85,000 into their account. I agree that the timing of Nationwide's review was unfortunate. Mr and Mrs F had just started their holiday. But whilst I have sympathy for Mr and Mrs F it's not in my remit to tell Nationwide what type of account review they should be conducting or when they should conduct account reviews. I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly.

Nationwide have acknowledged it made mistakes during its review and that it should have provided them with better service. Nationwide has accepted that its actions caused

Mr and Mrs F significant distress, worry and inconvenience. It has offered Mr and Mrs F £3,000 compensation to put this right. Mr and Mrs F say this isn't enough.

The Investigator said Nationwide's offer to pay Mr and Mrs F £3,000 to recognise the inconvenience and upset caused was fair.

Reaching an award for distress and inconvenience is seldom straightforward. It should be borne in mind that this service's aim is to ensure businesses compensate consumers where things have gone wrong. This can involve consideration of a business' policies and procedures. But we're not the industry regulator – that's the FCA – and so it's not for us to punish or fine a business or require a business to change how it operates going forward.

It's clear that Mr and Mrs F are unhappy with the overall level of service they have been provided with by Nationwide. And with justification, in my view. Having looked at all the evidence I'm satisfied that:

- Mr F was misadvised on 9 August 2024, when an adviser told him that Nationwide didn't make any calls that day. As a result, Mr F thought it was another scam. This was an error by the advisor.
- Nationwide restricted the account on 15 August 2024. This wouldn't have happened had Mr F been given the correct information during the above call.
- Nationwide's email sent to Mr F on 21 August 2024 was insensitive when it said Mr and Mrs F may have to open a new bank account.
- Nationwide should show reasonable care and flexibility where a customer's situation merits it do more in these circumstances. I've read all Mr F's emails that he sent whilst on holiday. I can see that Mr F repeatedly told Nationwide that its actions were causing significant distress, upset and inconvenience to him and Mrs F. And that not having access to the funds in his account was impacting his health and preventing him and Mrs F from enjoying their dream holiday. With this in mind I think it would have been reasonable for Nationwide to have completed its review sooner than it did. But Nationwide didn't complete its review until 28 August 2023, despite Mr F providing the information need on 20 August 2023.
- Nationwide ignored Mr F's emails asking whether direct debits and standing orders were being paid. Again, this further added to Mr and Mrs F's stress, anxiety and worry. However, there was no actual financial impact as your payments were still going ahead as scheduled.

I understand that these issues have proved frustrating, upsetting and disappointing for Mr and Mrs F to have encountered. I'm pleased to see that Nationwide eventually recognised the impact of this on Mr and Mrs F, it apologised and offered to pay Mr and Mrs F £3,000 by way of compensation.

I recognise that Nationwide should have done better in the first place. But, the fact is, things went wrong, and that impacted on Mr and Mrs F through no fault of their own. This is not the level of service Mr and Mrs F would reasonably have expected to receive.

It's rarely straightforward to decide what represents an appropriate level of compensation for non-financial loss given its inherently subjective nature. Mr and Mrs F, and no-one else, experienced these problems. I assure them I'm mindful of that.

This said, I've taken account of this service's general approach to compensation for distress

and inconvenience as set out on our website. I've thought about this approach in light of the errors Nationwide made and the impact on Mr and Mrs F.

Mr and Mrs F want Nationwide to compensate them for the cost of another cruise. And they have described in detail why they feel Nationwide should cover this cost. I've thought about this. Despite being asked by the investigator Mr and Mrs F haven't provided details of the cost of the holiday or what was included. So, I've not seen any compelling evidence that Mr and Mrs's loss amounts to the cost of another cruise – which Mr F has submitted is £6,890. I've also not been provided with information that helps me weigh up what mitigating factors should apply including whether Mr and Mrs F benefitted in any way from their holiday.

Whilst I have sympathy with Mr and Mrs F regarding Mr F's health condition, and I can understand why their holiday was so important to them, I'm satisfied that Nationwide took Mr and Mrs F's personal circumstances into account when deciding what it was willing to offer to put things right, and I consider its most recent offer in this case to be generous. So, I don't consider that it would be fair or reasonable of me to require Nationwide to do more.

Overall, I'm persuaded that Nationwide caused Mr and Mrs F loss to the extent that it was fair to have offered them compensation for distress and inconvenience. I think £3,000 compensation is fair taking all the circumstances into account, including the mistakes Nationwide made and their impact on Mr and Mrs F. So, I won't be asking Nationwide to increase this amount.

My final decision

Nationwide Building Society has already made an offer to pay Mr and Mrs F £3,000 to settle the complaint and I think this offer is fair in all the circumstances.

So, my final decision is that Nationwide Building Society should pay Mr and Mrs F £3,000.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F and Mr F to accept or reject my decision before 3 July 2025.

Sharon Kerrison
Ombudsman