

The complaint

Mrs D complains Nationwide Building Society (“Nationwide”); blocked her account including her debit card without informing her; was treated in a disgraceful manner when she called one of Nationwide’s agents about this; was asked personal and intrusive questions about her planned payments; didn’t unblock her account straight away as it said it would; had incorrect details about her marital status on its systems and subsequently took too long to update this; and it failed to consider that she had been a long-standing customer.

Mrs D says Nationwide’s actions have caused her significant distress, embarrassment, and inconvenience. So, Mrs D wants Nationwide to adequately compensate her.

What happened

The details of this complaint are well known by both parties, so I won’t repeat them again here in detail. Instead, I’ll focus on setting out some of the key facts and on giving my reasons for my decision.

In June 2024, Mrs D initiated a payment of £2,000 from her account to her partner, who I will refer to as Mr B. Nationwide’s security systems alerted it, and it blocked Mrs D’s account until it was able to communicate with her. As Mrs D’s access to her accounts had been restricted, she called Nationwide’s fraud team. Mrs D spoke to one of Nationwide’s agents, who I will now refer to as R.

Mrs D was told by R that her account had been blocked due to unusual activity on it – which related to two payments totalling around £4,000 to Mr B. Amongst other things, Mrs D explained these were legitimate payments and she had known her partner, Mr B, for around 20 years. Satisfied with Mrs D’s answers, R informed her the account restrictions would be removed. Nationwide released the payment. But Mrs D’s debit card remained restricted for a further two days, and she had to chase this up with Nationwide.

Mrs D was unhappy with the way R spoke to her and Nationwide’s actions - as explained above in the complaint section. So Mrs D complained, in doing so she made several calls to Nationwide. Nationwide upheld Mrs D’s complaint in part. In summary, the key points Nationwide made in its responses were:

- Nationwide is sorry Mrs D wasn’t contacted to make her aware there was a stop on her payment or that her card wasn’t unblocked after she’d contacted it. Nationwide is also sorry Mrs D’s marital status hadn’t been changed to ‘widowed’ and for the distress this caused her on the call with R. Because this shouldn’t have happened, Nationwide offered to pay Mrs D £300 compensation
- But R didn’t do anything wrong by asking her the questions they did on the call. Nationwide appreciate this can feel intrusive, but it has a duty of care that Mrs D is comfortable with payments she is making. With financial crime on the rise, Nationwide wouldn’t be doing its job properly if it wasn’t protecting its customers
- R asked Mrs D questions about the payment, including who it was going to and what

it was for. R also asked Mrs D questions about her partner and her current marital status. Nationwide is sorry this caused Mrs D distress, but sometimes it needs to ask questions that can feel intrusive

- As Mrs D's marital status was showing as 'married' on its systems, R had to ask her about it. Once Mrs D said she was widowed, no further questions were asked about her marital status
- Unfortunately R didn't remove the restrictions from Mrs D's debit card until two days later when Nationwide called her about this complaint. Nationwide is also sorry it didn't amend her marital status as promised

Mrs D didn't agree with what Nationwide said and, amongst other things, said she should be paid a minimum of £1,500 and up to £5,000 in compensation. Mrs D referred her complaint to this service, and added the following points:

- Had Mrs D's marital status been updated when she first told it to do so years before, her account wouldn't have been restricted. It's taken Nationwide three years to update her marital status when doing so in August 2024
- Nationwide treated Mr B as though he was coercing Mrs D into making the payments, and with contempt. So it caused her embarrassment, and she no longer has any trust in Nationwide

One of our Investigator's looked into Mrs D's complaint, and they recommended it wasn't upheld. In short, their key findings were:

- Nationwide blocked the account in line with its obligations. And it didn't need to tell Mrs D why or give her any warning. Nationwide accepted it should have tried to call Mrs D again after its first attempt failed. So this formed part of its offer of compensation, and in doing so, it acted fairly and reasonably
- R explained why the account had been blocked and why they needed to ask Mrs D questions about some of her recent transactions as they were out of character. R explained Nationwide's processes are designed to protect its customers from falling victim to a scam
- It's understandable why Mrs D felt the questions were intrusive and personal. But Nationwide must ask these types of questions to protect its customers and meet its obligations
- R didn't treat Mrs D rudely nor did they treat Mr B and their relationship with contempt. R was understanding, polite and empathetic, and was fulfilling the duties of their job. R also apologised for how the questions were making Mrs D feel
- The need to make this call had no connection to Mrs D's marital status and how it was recorded on Nationwide's systems. The restrictions were placed on the account due to a payment flagging on Nationwide's systems. Mrs D accepted the transactions were out of character. The questions R asked were designed to protect Mrs D, and nothing more
- Being satisfied with Mrs D's answers, R removed the restrictions from the account, and the payment to Mr B was released. Nationwide needed to ask some in-depth questions to ensure Mrs D wasn't falling victim to a scam

- R didn't remove the block from Mrs D's card when they agreed, but it was only done two days later. This failing formed part of Nationwide's offer of compensation – which is fair. Nationwide doesn't need to compensate Mrs D for the call with R as they acted professionally
- It's understandable not having her marital status correctly updated on Nationwide's systems as widower was upsetting. But Nationwide hasn't caused Mrs D financial detriment or has this failing had a substantial impact on her. The marital status was correctly updated in August 2024

Mrs D didn't agree with what our Investigator said. In summary, some of the points Mrs D made, which hadn't been made before were:

- R needs more training on how to deal with individual cases
- Mrs D didn't take the compensation, she wanted an apology for the way she was treated
- The fact Mrs D has been Nationwide's customer for over 20 years, and never once been questioned about her account activity, hasn't been considered
- R put Mrs D on hold for 11 minutes, this is excessive
- The whole situation became far more drawn out with R than it needed to as R wasn't doing their job in line with questions they should've asked. This gave Mrs D greater anxiety
- R said an attempt to call Mrs D had been made, but she never received a call. Two other agents said no call had been attempted. This is a serious contradiction and failing
- Had Nationwide updated Mrs D's marital status correctly she wouldn't have had 34 minutes of being asked intrusive questions about a new relationship with Mr B
- R didn't remove the blocks instantly as the card was still blocked for two days. Mrs D dreads to think how long the block on her card would've remained had she not called Nationwide as a payment didn't go through on it two days later. This caused further embarrassment
- Nationwide questioned one transaction not 'some'. R had said one of the payments were processed normally, so he had no right to quiz her about this. So he didn't act professionally

As there was no agreement, this complaint has been passed to me to decide.

What I've decided – and why

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 focussed 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. I do stress however that I've considered everything Mrs D and Nationwide have said before reaching my decision.

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 have decided not to uphold this complaint. I'll explain why.

Financial businesses in the UK, like Nationwide, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means Nationwide needs to restrict, or in some cases go as far as closing, customers' accounts.

The starting point for this complaint is whether Nationwide acted fairly in restricting Mrs D's account because of the payment to Mr B that had flagged on its systems. Nationwide has a regulatory and legal duty to protect its customers from financial harm. And Mrs D, as per her representations, is aware of the prevalence, threat, and impact scams and fraud have. Mrs D had made a similar payment to Mr B a few days previously, and she accepts that such payments were out of character for her.

It's because of this unusual activity that Nationwide's systems likely flagged her account as one that it needed to check and speak to Mrs D about. So, I'm satisfied Nationwide restricted Mrs D's account to meet its obligations - and in the earnest endeavour of taking steps to protect her, and itself, from financial harm. As Mrs D will undoubtedly appreciate, the risks of not getting this right can be seriously and adversely life changing to victims of scams and fraud. I would add at this juncture, that I'm satisfied Mrs D's marital status had no bearing on Nationwide's decision to restrict her account - but solely it did this because of the out of character payments.

The question therefore arises as to whether Nationwide, through its agent R, acted inappropriately, rudely, and contemptuously in the way Mrs D has explained. Having listened to this call very carefully, and on more than one occasion, I'm satisfied R acted professionally and courteously throughout. He apologised for the intrusive nature of his questions and showed empathy and understanding throughout. I'm sorry Mrs D feels the way she does, and I can appreciate her perspective, but I don't think R has behaved in the abhorrent manner she describes.

I can understand why Mrs D feels the questions about her relationship and Mr B were intrusive and why she found them offensive. But in direct terms, R initially had concerns, as per his notes, that Mrs D may be falling victim to a malicious type of scam generally referred to as a 'romance scam'. R wouldn't have known before speaking to Mrs D and by asking her such questions, that she had known Mr B for around 20 years, or the legitimacy of the payments, without asking sufficient questions in the way they did to be persuaded that was the case.

I note on one occasion R explains to Mrs D that fraudsters perpetrating such scams will often coach their victims what to say, so it's important she answers truthfully. Given the types of scam related complaints we see, it's generally seen as good practice for front end fraud case handlers to create such an environment and educate their customers in this way. So, I don't think R was being overly intrusive or rude here. I appreciate Mrs D feels Mr B was treated with contempt - but I haven't heard anything that makes me think that. Like I've said, R wouldn't have been able to make a judgment on the legitimacy of Mrs D's payment and explanation without asking sufficient questions in the way they did here.

I don't think the length of a customer relationship, in this case over 20 years, has any real

connection to whether Nationwide should or shouldn't have restricted Mrs D's account. People who are the unfortunate victims of fraud and scams don't generally get targeted because of how long they have been a customer of a financial institution. In my experience, someone with a long-standing customer relationship opposed to a new customer are equally susceptible to fraud. So, by not potentially taking this into consideration, I don't think Nationwide has done anything wrong.

I'm unable to make finding on whether an eleven-minute hold was excessive given I can't see retrospectively what R was doing. But given the general demeanour and approach R took, I think its most likely he was making diligent enquiries internally to best help Mrs D. So I think its likely R was doing their job as effectively as they could and didn't unnecessarily draw things out. For much of the narrative part of the call, I note that it was very much a two-way conversation between R and Mrs D.

There is some conflicting evidence on whether Nationwide did try and call Mrs D to speak to her from the internal notes I've been provided. But given Nationwide accept in its final response that it didn't attempt to call Mrs D nor send her a text message as it ought to have, I accept this to be its definitive position on this. So this is a failing Nationwide accepts it made. Nationwide also accept it didn't unblock Mrs D's card straight away following the call with R. So Mrs D would've been caused more distress and embarrassment when she couldn't make a payment using the card a few days later.

Mrs D's marital status wasn't correctly updated by Nationwide until late August 2024. This is poor given it knew how she felt about this and its purported failing to have done so a few years earlier. But I'm satisfied that the impact of this delay didn't cause Mrs D any substantive detriment given it had no bearing on anything Nationwide did. Nor did anything happen in between it being updated that adversely impacted Mrs D.

It is not the role of this service to tell Nationwide how to train or give feedback to its staff. But regulated businesses to have a duty to improve their service and customer communication in line with the principles and rules set by the regulator, The Financial Conduct Authority. Given Nationwide has accepted it made some errors, it's very likely it would have dealt with them appropriately with relevant staff members.

Nationwide offered Mrs D £300 compensation for the impact its failings had on her. It's important to note that Nationwide didn't do anything wrong in restricting and asking her the types of questions it did. So the compensation speaks to not calling her or messaging her, not removing the block of the card when it should have, and for not updating its systems.

There have been two or three errors from Nationwide here which has required reasonable effort to sort out. Had Nationwide called Mrs D when it should have, it's likely the same questions would've been asked of her – so I can't see that the distress this caused her would've been altogether avoided. Mrs D had initially said she feels compensation between £1,500 and £5,000 would be fair. But I don't agree. Given our approach to such awards, which is available on our website, and for the reasons I've explained, I'm satisfied the £300 Nationwide offered Mrs D is fair compensation. So, Nationwide doesn't need to do anymore.

Nationwide has already apologised in its final response letter and other related correspondence for its failings which I've also identified here. So I don't think it needs to do anymore in terms of making an apology.

My final decision

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 16 January 2025.

Ketan Nagla
Ombudsman