

The complaint

Ms B complains Nationwide Building Society (“Nationwide”) closed her accounts without notice nor explanation after it had asked for proof of entitlement for some payments.

Ms B says Nationwide’s actions have caused her significant distress and inconvenience.

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.

Following an internal review, on 9 April 2024, Nationwide asked Ms B for proof of entitlement to five payments she received into her account in March and April 2024. Ms B sent Nationwide some information. After reviewing this, Nationwide decided to close Ms B’s savings accounts with immediate effect.

Unhappy with Nationwide’s actions, Ms B complained. Nationwide upheld Ms B’s complaint in part. In summary, the key points it made were:

- Its sorry for the service issues Ms B experienced. Ms B’s email from 17 April 2024 wasn’t attached to her case – something went wrong with Nationwide’s processes. As an apology Nationwide will pay Ms B £150 compensation into her external account
- Nationwide hasn’t done anything wrong in closing Ms B’s accounts and did so in line with its terms and conditions. Nor about seeing if there was a possibility to open a Basic bank account
- Ms B had account closures in the past for not meeting the eligibility criteria. These accounts were closed in January 2023 and March 2023. Nationwide apologises for any confusion about the recent closures in April 2024 with the older ones from 2023

Ms B referred her complaint to this service. One of our Investigator’s looked into Ms B’s complaint, and they recommended it wasn’t upheld. In short, they found:

- Nationwide’s review and account closures were done fairly, and in line with the terms of the accounts. Nationwide understandably weren’t satisfied with the proof of entitlement evidence Ms B provided
- Nationwide paid Ms B £150 compensation for its service failings. It didn’t need to do anything more

Ms B didn’t agree with what our Investigator said. As there was no agreement, this complaint has been passed 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.

Having done so, I have decided not to uphold this complaint. I'll explain why.

Firstly, from the evidence I've seen, I'm satisfied this complaint only relates to the closure of Ms B's savings accounts with Nationwide in April 2024. Her Basic accounts were closed with Nationwide in January and March 2023. These closures haven't been complained about – but Ms B has complained about why she wasn't able to get a new Basic bank account with Nationwide after it closed her savings accounts. So, I will address this point later in my decision.

Building societies 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.

Nationwide has explained and provided me with supporting evidence as to why it reviewed Ms B's accounts and asked her for proof of entitlement to some of the payments she received. Having carefully considered this, I'm satisfied it acted in line with its obligations.

Nationwide is entitled to close an account just as a customer may close an account with it. But before Nationwide closes an account, it must do so in a way, which complies with the terms and conditions of the account. The terms and conditions of the account, which Nationwide and Ms B had to comply with, say that it could close the account by giving her at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

Nationwide closed Ms B's savings accounts with immediate notice following its review. Having carefully reviewed Nationwide's reasons and supporting evidence, I'm satisfied it has done so in line with the terms and conditions of the accounts. I can understand why Ms B wants a detailed explanation, but Nationwide is under no obligation to do so. I'm also satisfied Nationwide acted fairly when reviewing Ms B's proof of entitlement information.

Ms B is unhappy that Nationwide didn't let her open a Basic bank account when her savings accounts were closed in April 2024. But given its concerns, I'm satisfied Nationwide acted fairly.

As I don't think Nationwide did anything wrong, I see no basis to award any compensation for the distress and inconvenience she's suffered because of the account closures. I note Nationwide paid Ms B £150 for its service failings. It doesn't need to do any more.

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 Ms B to accept or reject my decision before 20 January 2025.

Ketan Nagla
Ombudsman