

## **The complaint**

Mr A complains that Nationwide Building Society unfairly closed his basic bank account.

## **What happened**

Mr A had a basic account with Nationwide which he'd opened in 2019.

On 15 February 2024, Mr A received a credit of £39 into his basic bank account, from an individual I will refer to as B.

A few days later, Nationwide received notice from the sending bank that B did not receive the service that'd been agreed with Mr A. And believed they'd been scammed. Following this, Nationwide blocked Mr A's account. Nationwide contacted Mr A for his explanation and asked him to provide proof of his entitlement to the money he'd received from B.

In response, Mr A called Nationwide and said he was running an online mentoring course and that B had signed up to take the course. And that B had paid him £39 to access the course. Mr A said he had online chats with B, and he could provide copies of these to Nationwide and details of the course he was running. Following this, Mr A sent Nationwide a copy of the screenshot of the payment he'd received from B.

Nationwide revered everything but didn't think Mr A had provided enough information to show he was entitled to the money he'd received from B. Nationwide decided to close Mr A's account. It sent Mr A letter giving him 90 days' notice that he'd need to make alternative banking arrangements. During the notice period Mr A's account remained blocked to prevent further fraud. In July 2024, Nationwide closed Mr A's account and returned his remaining balance to him.

Mr A complained to Nationwide. In response, Nationwide said it had closed Mr A's accounts in line with the terms and conditions. Mr A remained unhappy and brought his complaint to our service where one of our investigator's reviewed what had happened.

After reviewing everything the investigator said that Nationwide hadn't done anything wrong when it had closed Mr A's account. So, they didn't uphold the complaint. Nationwide agreed with what the investigator said. Mr A didn't. He said he's been treated unfairly and can provide more information about the money he received from B. As no agreement could be reached 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.

Firstly, I'm very aware that I've summarised this complaint in far less detail than the parties and I've done so mainly 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 have considered everything Mr A and Nationwide have said before reaching my decision.

It's important to note that my decision focusses on Nationwide's actions in regard to Mr A's account. It's not my role to determine the legal validity and basis of any rules and regulations – but I will of course take into account any that are relevant here. So, that means my decision will consider whether I think Nationwide has acted in line with any obligations placed upon it, and that it acted fairly and reasonably in the circumstances of this complaint.

Nationwide has extensive legal and regulatory responsibilities they must meet when providing account services to its customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. That sometimes means Nationwide need to review, or in some cases go as far as blocking and closing customers' accounts.

Nationwide were notified by another bank that the payment Mr A received from B was fraudulent. Nationwide blocked Mr A's account whilst it looked into how best to react to the report it had received from the other bank. I don't find this unreasonable. Fraud is a serious matter and the terms of Mr A's account also make provision for Nationwide to suspend an account.

As part of its investigation, Nationwide contacted Mr A and asked him to explain the payment from B. Mr A told Nationwide the funds were received from B as payment for him enrolling in an online course that Mr A provided. However, despite offering to provide quite a bit of information to support his explanation, Mr A only provided a screenshot of the payment being received from B – which isn't in dispute.

Mr A hasn't provided any evidence about his arrangement with B which would support his explanation – for example the communications which led up to him accepting B onto the course. He's also not provided any evidence about the existence of any course. Mr A has been given ample time and opportunity to provide any evidence he has – both by Nationwide and this service. I find the fact there is no evidence at all unusual. This leads me to doubt the credibility of Mr A's version of events. So, I don't find it unreasonable that Nationwide had concerns that Mr A was potentially involved in fraudulent behavior.

Mr A had a basic bank account with Nationwide. These types of current account are intended for people who don't have and don't qualify for standard current accounts. In order to be eligible for a payment account with basic features an individual shouldn't hold a payment account with any United Kingdom credit institution that has at least the features of a basic bank account.

When closing a basic account, along with the terms and conditions of the account, Nationwide also had to consider the provisions of the Payment Accounts Regulations Act

2015 (PAR's 2015). Amongst other things they set out when an account provider can close a basic bank account.

These outline that Nationwide can close a customer's account with two months' notice, and in certain circumstances they can close an account immediately. In this case, Nationwide blocked Mr A's account during the notice period, so I consider Nationwide closed Mr A's account immediately.

For Nationwide to act fairly here they needed to meet the criteria to apply their terms for immediate closure – and having looked at these terms and all the evidence I'm satisfied that Nationwide did. I say this because Mr A's account was being used to receive and spend funds that had originated from fraud. So, it was entitled to close the account as it's already done and end its relationship with Mr A. I'm also satisfied this conduct meets the definition of the criteria set out under the PAR's 2015, which allow for immediate closure. This means I won't be asking Nationwide to reopen Mr A's account.

In summary, having considered everything, while I appreciate Mr A's strength of feeling and why he feels he's been treated unfairly, I'm not persuaded Nationwide acted unreasonably or unfairly in the circumstances. So, I won't be asking Nationwide to do anything.

### **My final decision**

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 4 April 2025.

Sharon Kerrison  
**Ombudsman**