

The complaint

Ms E is unhappy that Nationwide Building Society restricted her accounts and kept them restricted for approximately a year.

What happened

In March 2023, Nationwide restricted Ms E's accounts when they began an investigation into a potential scam that Nationwide were concerned that Ms E might have been in the process of falling victim to. However, Nationwide didn't complete their investigation, and the blocks on Ms E's accounts remained in place for roughly a year and were only removed when a complaint was raised for Ms E about the matter in March 2024. Ms E wasn't happy about this, so she raised a complaint.

Nationwide responded to Ms E and apologised for what had happened. Nationwide also paid £150 to Ms E as compensation for any trouble or upset she may have incurred. Ms E wasn't satisfied with Nationwide's response and felt that a larger award of compensation should fairly be merited here. So, she referred her complaint to this service.

One of our investigators looked at this complaint. They didn't feel that the £150 that Nationwide had paid to Ms E provided sufficient compensation for the fact that her accounts had been restricted for a year. Instead, they recommended that Nationwide should pay a further £350 to Ms E, taking the total compensation amount payable to £500, which they felt more fairly reflected the impact of Nationwide's mistakes. Ms E accepted the view of this complaint put forward by our investigator, but Nationwide did not. So, the complaint was escalated to an ombudsman for a final 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.

Having done so, I note that both Ms E and Nationwide have provided several detailed submissions to this service regarding this complaint. I'd like to thank Ms E and Nationwide for these submissions, and I hope they doesn't consider it a discourtesy that I won't be responding in similar detail here. Instead, I've focussed on what I consider to be the key aspects of this complaint, in line with this service's role as an informal dispute resolution service.

This means that if Ms E or Nationwide note that I haven't addressed a specific point that they've raised, it shouldn't be taken from this that I haven't considered that point – I can confirm that I've read and considered all the submissions provided by all parties. Rather, it should be taken that I have considered that point but that I don't feel it necessary to address it directly in this letter to arrive at what I consider to be a fair resolution to this complaint.

Nationwide have explained that they feel that the subject matter of this complaint has previously been considered as part of an earlier complaint, that was responded to by Nationwide in March 2023. But I feel that the primary point of complaint under consideration

here is the fact that Nationwide kept Ms E's accounts restricted from March 2023 to March 2024. And as such, I don't feel that the complaint response issued in March 2023 has any significant relevance here.

Nationwide have also said that they were unaware that Ms E's accounts remained restricted until Ms E contacted them about the matter in March 2024, and noted that they removed the restrictions from Ms E's accounts as soon as they'd been made aware of them.

But it's clear that Nationwide began an investigation in March 2023 that was linked to the restrictions of Ms E's accounts. And it's also clear that Nationwide didn't complete that investigation, but instead left it unresolved until March 2024. Furthermore, if Nationwide had completed that investigation in a reasonable timeframe, then Ms E's accounts would almost certainly have been unrestricted as a result.

Ultimately, I don't feel that it's fair or reasonable for Nationwide to suggest that they aren't responsible for what happened here because one of their account holders didn't point out the mistakes that Nationwide had made to them. Instead, I'm satisfied that Nationwide should be considered accountable for their failure to complete the investigation into Ms E's accounts that they started.

Because of this, my final decision is that I uphold this complaint in Ms E's favour and instruct Nationwide to pay a further £350 to her, in addition to the £150 that they've already paid, taking the total compensation amount for this complaint to £500.

In arriving at this position, I've considered that Ms E was without access to her accounts for a year, which by any reasonable standard constitutes very poor service from Nationwide. Additionally, I've considered the general framework this service uses when assessing compensation amounts, details of which are on this service's website. And, taking these factors into account, I'm satisfied that £500 is a fair compensation amount for the significant mistakes that took place here.

Putting things right

Nationwide must pay a further £350 to Ms E.

My final decision

My final decision is that I uphold this complaint against Nationwide Building Society on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms E to accept or reject my decision before 24 April 2025.

Paul Cooper
Ombudsman