

## **The complaint**

Mr and Mrs J complain Nationwide Building Society (“Nationwide”) applied restrictions to their online banking facility and won’t lift them until they provide what they consider unnecessary evidence.

## **What happened**

Mr and Mrs J hold a joint account with Nationwide. Nationwide had concerns about the transfer of a large amount being made between Mr and Mrs J’s Nationwide account to a new account in Mr J’s name externally in July 2023. To protect Mr and Mrs J’s account and funds Nationwide applied a temporary block to their internet banking.

Mr J contacted Nationwide about this and explained that he was accumulating funds in another account for a holiday abroad he had booked and wanted to try out the new account and that was why he was transferring funds back and forth.

Nationwide weren’t satisfied with this and had concerns he wasn’t in control of the account he was sending funds to or was the victim of a scam. Nationwide asked Mr J provide a copy of a bank statement from his external account and evidence of the trip he said he’d booked.

Mr J refused to submit this evidence and so the blocks to the account remained. While the block is in place Mr and Mrs J can’t use their online banking but are still able to receive funds in and spend on their card and withdraw money from an ATM as well as direct debits and standing orders continue to be paid.

Mr and Mrs J complained about this to Nationwide. Nationwide didn’t agree it had done anything wrong and so Mr and Mrs J brought their complaint to this service. They say the continued blocks were unnecessary as Nationwide can see they went on holiday as they spent on their account whilst abroad and want access to their online banking reinstated.

One of our investigator’s looked into Mr and Mrs J’s concerns but didn’t think Nationwide had treated Mr and Mrs J unfairly or unreasonably as the information Nationwide had asked for wasn’t difficult to provide and would collaborate Mr J’s reasons for the payments being made to Mr J’s account held externally and confirm he was in control of the account.

Mr and Mrs J disagreed and so their complaint was progressed for an ombudsman’s 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.

I hope that Mr and Mrs J won’t take it as a discourtesy that I’ve condensed their complaint in the way that I have. Ours is an informal dispute resolution service, and I’ve concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that.

My role is to look at problems that Mr and Mrs J have experienced and see if Nationwide has

made a mistake or done something wrong. If it has, we seek to put - if possible - them back in the position they would've been in if the mistakes hadn't happened. And we may award compensation that we think is fair and reasonable.

It might be helpful for me to say here that, I don't have the power to tell Nationwide how it needs to run its business and I can't make Nationwide change its systems or processes – such as how or when activity on an account is reviewed and restrictions applied for fraud prevention. These are commercial decisions and not something for me to get involved with. Nor can I say what procedures Nationwide needs to have in place to meet its regulatory obligations. We offer an informal dispute resolution service and we have no regulatory or disciplinary role.

That said I don't think it was unreasonable for it to have procedures in place – in this case carrying out checks on account activity that meet certain criteria for fraud prevention - to ensure the transactions are legitimate and it meets its regulatory requirements. As I'm sure Mr and Mrs J understand this is needed not only to protect businesses against criminal activity, but also their customers.

And in Mr and Mrs J's case I can see that some concerns had been raised due to the nature of the transactions Mr J was making – new large transfers between accounts - that Mr and Mrs J were or potentially might become the victims of fraud. So Nationwide wanted to confirm what the payments out of their account to Mr J's account were for.

Mr J explained to Nationwide that the transfers he was making were to fund a holiday abroad and that he was just trying it out. To satisfy itself this was the case Nationwide asked Mr J to provide evidence of this such as a bank statement or holiday itinerary before it lifted the restrictions on Mr and Mrs J's online banking. I don't think it was unreasonable that Nationwide applied restrictions to Mr and Mrs J's online banking until it could satisfy itself that the activity seen on Mr and Mrs J's account was legitimate.

And as Mr and Mrs J weren't willing to provide evidence of this which should be reasonably available, I can understand Nationwide's concerns that the activity on the account may not be legitimate and unwillingness to lift the restrictions.

I accept Mr and Mrs J have been inconvenienced and frustrated by this, but the actions Nationwide took is allowed under its terms and conditions and is in-line with its regulatory obligations and while the restrictions have been in place Mr and Mrs J still have reasonable access to their funds. Their direct debits and other bills are still being paid, they are able to receive money into their account, spend on their card and make ATM withdrawals. So I don't think Nationwide have acted unreasonably or treated Mr and Mrs J unfairly here.

And so it follows I don't uphold Mr and Mrs J's complaint.

### **My final decision**

For the reasons I've explained, I've decided not to uphold Mr and Mrs J's complaint against Nationwide Building Society.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J and Mrs J to accept or reject my decision before 7 February 2025.

Caroline Davies  
**Ombudsman**