

## **The complaint**

Mr O complains Nationwide Building Society (“Nationwide”) blocked his account without notice and in contravention of the PSR’s (Payment Service Regulations 2017).

Mr O says Nationwide’s actions have caused him significant financial loss, 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.

In August 2024, whilst carrying out a review, Nationwide contacted Mr O by telephone to discuss his account activity. Mr O says he couldn’t talk. Nationwide then blocked Mr O’s account. Nationwide say it then sent Mr O an email and attached a form to complete about questions it had about some of his account activity.

Unhappy, Mr O complained. Nationwide didn’t uphold Mr O’s complaint saying it hadn’t done anything wrong in blocking his account. Nationwide added in its response that its Account Review Team contacted Mr O in August 2024 to let him know it was about to block his account and thereafter sent him the email and form.

Mr O referred his complaint to this service. In November 2024, Nationwide notified Mr O of its decision to close his account. As Mr O hasn’t complained about the closure, this will not form part of my decision. Amongst other things, Mr O explained to our Investigator that as he missed so many direct debits with his external creditors, this has impacted his credit limits and other accounts. He says he was stuck at a petrol service and unable to pay when his account was blocked, and the matter has caused him substantive distress.

Our Investigator also asked Mr O why he hadn’t responded to Nationwide’s request for information about his account activity and completed the attached form on the email he was sent. Mr O responded that he wasn’t asked to complete any form, nor did he receive it. And it is incumbent upon Nationwide to show it was sent.

After looking into Mr O’s complaint, our Investigator recommended it wasn’t upheld. In short, they said Nationwide had acted in line with its obligations when restricting the account and it did ask Mr O for further information in writing and in calls, but he didn’t provide this.

Mr O didn’t agree with what our Investigator said. He reiterated that blocking his account was not in line with the PSR’s and BCOBS, and he is still unaware of any basis as to which Nationwide was able to block his account without prior notice.

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

Banks and 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 information as to why it carried out a review and restricted Mr O's account. Having carefully considered this information, I'm satisfied Nationwide acted in line with its obligations.

I know Mr O would like a detailed explanation as to why Nationwide acted in this way, but it is under no obligation to do so. I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from businesses as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Nationwide has provided is information that we considered should be kept confidential.

Mr O has asked for the specific legislation that Nationwide relied upon and says its actions aren't in line with what the PSR's and the FCA's (Financial Conduct Authority) BCOB's say. Nationwide is required to comply with a wide range of law and regulation, including the Prudential Regulation Authority (PRA) Rulebook, the FCA's Handbook and various pieces of primary and secondary legislations. Most of these regulatory requirements applies to all UK banks and building societies and Nationwide is subject to these legal and regulatory requirements.

After carefully considering the obligations Nationwide must meet, I'm satisfied it hasn't done anything wrong in restricting the account without notice.

I would however have expected Nationwide to carry out relevant enquiries with any concerns it held. Mr O denies that Nationwide did so. But Mr O has said in his submissions to this service - when referring his complaint - that Nationwide sent him an email requesting for documents as part of its account review. I have seen a copy of that email and note a form was attached for him to complete information about specific transactions Nationwide needed more information about. So, I question why Mr O has later said he didn't receive this.

Nationwide has also sent me an email it received from Mr O dated 20 August 2024. In it, Mr O says he received a phone call from Nationwide asking him to respond by 21 August 2024; and he is on an engagement in Wales and can't respond until September 2024 at which point he will have the opportunity to review the information. This further shows that Mr O was aware Nationwide wanted to speak to him and required information for its review.

As I don't think Nationwide has done anything wrong in reviewing and blocking Mr O's account, I see no basis in which to award any compensation for the financial loss, distress, or inconvenience he says he has suffered.

## **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 Mr O to accept or reject my decision before 6 June 2025.

Ketan Nagla  
**Ombudsman**