

The complaint

Mr and Mrs J complain that Nationwide blocked their bank account.

What happened

Mr and Mrs J had an account with Nationwide. In June 2024, Nationwide emailed Mrs J to say it had blocked the account because it needed more information about her. Mr and Mrs J think this was unfair – and say the block caused inconvenience and worry. They complained to Nationwide.

Nationwide looked at this. It offered to pay Mrs J £25 to reflect the time the review had taken. And it also offered to pay Mrs J £40 to reflect mistakes it made during a call. Mr and Mrs J referred the complaint to this service. Nationwide subsequently closed the account in August 2024.

Our investigator looked at this and didn't think Nationwide needed to do more. Mr and Mrs J don't agree. The complaint has been referred to me to decide.

As this complaint was brought jointly by Mr and Mrs J, I've focussed on their joint account in this decision, but I've considered what Mr and Mrs J have said about their personal accounts as part of the wider circumstances of this complaint.

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.

Nationwide, like all financial businesses, is subject to legal and regulatory requirements that mean it may need to review an account at any time. And where it reviews cases in these circumstances, it may need to block an account. These legal and regulatory requirements also mean that when it does this it may not be able to give reasons.

This is reflected in the terms and conditions that applied to Mr and Mrs J's account. These allow Nationwide to ask Mr and Mrs J for information to meet its legal and regulatory obligations – and say that failing to provide this information may result in them delaying or refusing to process payments or blocking access to the account.

Here, Nationwide contacted Mrs J to say that it needed her to provide information following a review – and that if she didn't provide this information, it wouldn't be able to continue to offer her banking services. It asked Mrs J for information about her financial circumstances, and also asked for an explanation of a number of payments to and from the account.

Based on what I've seen, I'm satisfied that Nationwide was acting in line with its legal and regulatory obligations when it blocked the account – and that it did so in line with the terms and conditions.

Nationwide then decided to close the account. The terms and conditions that applied to the account allow Nationwide to close the account immediately in certain circumstances.

Nationwide has explained in confidence why it took the action it did. Our rules allow me to accept information in confidence, and I'm satisfied that this information is sensitive and cannot be shared with Mr or Mrs J. But based on this information I'm satisfied that Nationwide complied with the relevant terms and conditions. And where Nationwide closes accounts in these circumstances it doesn't need to explain why – and nor would it be appropriate for me to tell Nationwide to share these reasons much as Mr and Mrs J would like to know.

I've gone on to consider whether Nationwide treated Mr and Mrs J unfairly in any other respect. In particular, Mr and Mrs J think the tone of Nationwide's request for information was threatening, and are concerned that Nationwide blocked the accounts before it had asked for any information. Mr and Mrs J feel it was discriminatory to request information from Mrs J in the way they did, as she has limited English. Mr J says he had to coach Mrs J through some of the conversations, and in any case Mr J was the one who actually operated the account. Mr J says Nationwide refused to speak to him as he was not the target of the review. He says it was frustrating to provide information about payments without having access to their statements. In summary, Mr and Mrs J say they understand why these legal and regulatory obligations are in place, but feel they need to be managed in a fair and competent manner.

Mr and Mrs J have also outlined the impact this had on them. They say blocking the account would cause financial hardship and inconvenience. They were using the account to receive rent receipts which he was using to service buy to let mortgages – and had to ask tenants to update the account to one which could receive payments. He also had to manually make payments towards his mortgages as he couldn't change the direct debits in time.

Finally, Mr J says that given Nationwide's concerns appeared to just relate to Mrs J, it could have offered him a sole account instead. He wants to know why, if the investigation related to the joint account, Nationwide didn't ask him the questions.

I've carefully considered what Mr and Mrs J have said. I have some sympathy for Mr and Mrs J and don't doubt that having the account blocked in this way caused some distress. I further note that Nationwide has acknowledged that things went wrong during the phone conversations and offered £40 in respect of this, and also offered £25 in respect of the time taken to complete its review. So I've thought about Nationwide's offer alongside Mr and Mrs J's comments.

Before I could award compensation for distress, inconvenience, trouble or upset, I'd first need to find that Nationwide did something wrong. I accept that having an account blocked will lead to a degree of distress or inconvenience. But I've already concluded that the block was something Nationwide was entitled to do in line with its regulatory obligations and the terms and conditions of the account. And while I recognise that Mr and Mrs J found the secrecy and tone of the review alarming, it doesn't follow that this means Nationwide did something wrong. In particular, I can't say it was wrong of Nationwide to say that failure to provide this information might lead to the account being closed.

I've considered what Mr and Mrs J have said about feeling discriminated against. I can understand why Mrs J might feel this way. And Nationwide has accepted that Mrs J received poor service during one call she had, where she failed security – Nationwide said this shouldn't have failed. Having listened to the calls, however, I note that Mr J was able to speak to Nationwide on Mrs J's behalf – it's just she needed to pass security first. Given the review concerned activity on her accounts, I can't say Nationwide was wrong to ask her to complete security before discussing matters with Mr J.

I note Mr J's comments about the nature of the review and whether Nationwide could have

offered him a sole account instead. But I'm satisfied Nationwide's decision to close the account was fair and so this doesn't alter my conclusions.

But Nationwide has offered £65 in total to reflect the poor service Mr and Mrs J received – £40 for the poor service over the phone, and £25 for the time the review took. I've thought about whether this was fair. I'm mindful that Nationwide ultimately decided to close the account. With that in mind, much of the impact Mr and Mrs J has mentioned – particularly the rearranging of payments in connection with their rental properties – would have happened in any event. And based on what Mr and Mrs J have said, Mr J had access to other accounts elsewhere and was mainly responsible for managing their joint finances. With that in mind, I'm satisfied the amount Nationwide has already offered is fair compensation for any failings.

My final decision

My final decision is that Nationwide's existing offer of £40 and £25 for the distress and inconvenience it caused is fair. It should now pay this to Mr and Mrs J if it hasn't already. I make no further award.

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 25 August 2025.

Rebecca Hardman
Ombudsman