

The complaint

Mr V complains that Nationwide Building Society ('Nationwide') unfairly withheld his funds.

What happened

Mr V held a current account with Nationwide. In March 2024, Mr V wanted to purchase a luxury watch. Before Mr V purchased the watch, Mr V says his girlfriend helped him to find a buyer for it. Mr V didn't have the available funds to buy the watch, so the buyer was going to transfer him the funds before he purchased it from the watch dealer.

The buyer of the watch was based in China. So, Mr V says the buyer sent the funds in Chinese Yuan (CNY) to Mr V's girlfriend via an app commonly used in China. Mr V's girlfriend then arranged for two individuals whom Mr V referred to as 'transfer agents', to send the funds to Mr V's Nationwide account, so he could purchase the watch.

On 21 March, Mr V received three payments into his Nationwide account for the purchase of the watch, amounting to £8,000. One payment of £3,000 was from Mr V's girlfriend and the remainder was received from two individuals who Mr V explained were the transfer agents.

Mr V tried to purchase the watch using his Nationwide account. Nationwide didn't allow the payment to go through and subsequently blocked Mr V's access to his account and the funds he'd received. It asked Mr V for evidence to show entitlement to the funds in his account. Mr V sent Nationwide all the evidence he had, but it wasn't deemed sufficient to release the funds. Nationwide later closed Mr V's account in July 2024, without releasing the funds to him.

Mr V brought his complaint to our service. He explained he was unhappy because the funds were still being held by Nationwide, and he'd had to use a credit card to partially fund the purchase of the watch – which meant he was in financial difficulties due to the interest he was being charged by his credit card provider.

One of our Investigators looked into Mr V's complaint and decided not to uphold it. In summary, they said:

- The review of Mr V's account formed part of Nationwide's ongoing legal and regulatory obligations
- Nationwide's review of Mr V's account was carried out fairly and in line with the account terms and conditions
- Nationwide was entitled to withhold the funds until Mr V provided evidence that was deemed sufficient to release them

Mr V disagreed with what our Investigator said. Nationwide later released the funds to Mr V, in January 2025. Mr V explained Nationwide hadn't been provided with any new evidence but had still taken the decision to release the funds. So, Mr V felt Nationwide should refund him the interest that he'd paid on his credit card.

After our Investigator considered Nationwide's reasons for deciding to release the funds, they didn't change their initial assessment of the complaint, and they didn't agree that Mr V should be refunded the interest he claimed should be paid to him.

Unhappy with the outcome, Mr V asked for his complaint to be decided by an ombudsman.

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

Banks in the UK 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 banks need to restrict, or in some cases go as far as closing, customers' accounts.

I've reviewed the information Mr V provided to Nationwide after it began its review of his account. Having done so, I think Nationwide acted reasonably in asking for the information it did from Mr V to show his entitlement. I'm persuaded too that the information Mr V provided wasn't sufficient for Nationwide to have returned the funds to him sooner than it did.

I appreciate Mr V is unhappy because Nationwide released the funds even though he hadn't provided any new evidence. So he questions why they weren't returned sooner. Nationwide has shared details with me in confidence regarding what actions it was taking and a timeline in relation to this. Having carefully considered this, I'm satisfied Nationwide's actions were reasonable. I do think it could have taken some actions quicker than it did, but I don't find awarding Mr V compensation for this would be fair or appropriate.

I understand Mr V would want to know the information I have weighed to reach this finding. But I am treating this information in confidence, which is a power afforded to me under the Dispute Resolution Rules (DISP), which form part of the Financial Conduct Authority's regulatory handbook.

Mr V says he encountered financial difficulties due to the interest he was charged by his credit card provider. I have no doubt the situation caused Mr V distress and he was put in a difficult financial situation. But as I don't find that Nationwide did anything wrong in reviewing Mr V's account, and withholding the funds, I see no basis in which to ask Nationwide to cover Mr V's interest payments or award any compensation for the distress and inconvenience caused to him.

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 V to accept or reject my decision before 8 July 2025.

Khadijah Nakhuda
Ombudsman