

The complaint

Mr K's unhappy with Nationwide Building Society's customer service when he called because of a referred payment.

What happened

Mr K was joining an existing tenancy agreement and, as part of the verification checks, needed to send a small payment to a third-party business to verify he had a UK bank account. Mr K made the payment and thought all was well. But, the following day, he got a text to say he needed to call Nationwide to discuss the payment. He did this at 8:55 on 17 October 2024. Mr K was told that Nationwide didn't transact with the company he'd tried to pay the money to and so the payment couldn't be made. Mr K asked what he should do and was told he should make the payment through a different bank account. Mr K said he didn't have another account – he only held one current account and so that wasn't an option. The agent repeated that the payment couldn't be made. Mr K raised a complaint about the customer service and Nationwide's inability to make the payment.

Nationwide sent Mr K a final answer on 31 October 2024. In it, Nationwide confirmed that, at the time Mr K had tried to make the payment, it wasn't transacting with the third-party company. It said that had since changed and that's why he'd been able to make the payment a week later (on 24 October 2024). And it said that having listened to the call Mr K had with one of its staff members, it couldn't agree they'd been rude or unprofessional. Mr K disagreed with Nationwide's final answer and referred his complaint to this service where one of our investigators reviewed it.

Our investigator thought Nationwide hadn't acted fairly and recommended that it pay Mr K £150 for the distress and inconvenience he'd been caused. In summary, our investigator thought Nationwide should've listened to what Mr K had said about the transaction, and then re-assessed the risk of making it based on the new information. Mr K accepted our investigator's opinion, but Nationwide didn't. It said it wasn't transacting with the business Mr K wanted to make the payment to and to make an exception wasn't possible. So, it asked for the complaint to be decided by an ombudsman. It's therefore been passed to me for 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'm going to deal firstly with Nationwide's right to refer, and in some cases decline, to make payments requested by customers. Its terms and conditions, and specifically term 20

“To meet legal and regulatory requirements, we (and any financial institutions we may use to help us make the payment) may carry out checks before payments are made or incoming payments are applied to your account with a view to preventing financial crime. Occasionally this may lead to a delay in a payment being sent or applied to your account. ***In some circumstances we may not be able to make the***

payment or apply an incoming payment to your account. We will always tell you if this is the case unless it would be unlawful to do so. We will not be responsible for any loss that results from this.” (my emphasis added)

allows it to make that decision. But it's important to note the reason for that – to prevent financial crime. So, on the first part of the complaint, I do find that Nationwide had the right to block the payment.

But, to the second point, from a customer service perspective, I have to look at whether Mr K had given Nationwide sufficient information to allow it to reconsider its decision. And I think he had. Having listened to the call Mr K had at 09:01 on 17 October 2024, I don't think there's any more Mr K could've said to explain the transaction, why he was making it, who it was to and why he was certain of the genuineness of it. At that point, I think Nationwide should've told Mr K that it would investigate what he'd said and either release the payment to the third-party company or get back to him with the reason why it still wasn't able to do so.

I've looked at Nationwide's internal notes and can see that when the payment was first reviewed, a member of staff said she couldn't see why the payment would've been blocked. Mr K in his phone call explained what the transaction was for in detail, and I don't think there was anything more Mr K could've told Nationwide to help it review its decision. Nationwide has told us that it couldn't just review Mr K's payment and release it. As it wasn't transacting with a company, that would've affected all payments to that company and that was too big a risk for it to take. But in an email exchange I've seen, the reason given for not looking at the payment on an individual basis was because it wasn't an emergency. That may've been Nationwide's perspective, but for Mr K it was extremely important the payment was made as he was arranging to move into the new property. So, I don't think Nationwide treated Mr K as an individual and assessed his individual circumstances. It looked at the amount being sent and made a decision based on that.

I also note that within a week, the block on transacting with that company had been lifted. Mr K says he has doubts over that, and the payment was only made because he changed the payment from business to personal. I think that if the block had still existed Mr K wouldn't have been able to make the payment regardless of whether it was made as business or personal, so I'm persuaded Nationwide did lift the block. But it took a week to do this and in that time the issue caused Mr K a great deal of inconvenience through repeated chasers from the third-party company and difficulties with the person he was moving in with. I think that could've been avoided if Nationwide had looked at Mr K's case individually and with more urgency.

I turn now to the phone call Mr K had with Nationwide on 17 October 2024. He made initial contact and then was transferred to a specialist department for his query to be dealt with. I've listened to the call and would say at the outset that I don't think the agent was rude or unprofessional. But I do think the call could've been handled better from a customer service perspective.

Mr K has said in his complaint that the agent interrogated him and said “A lie is a lie” in a threatening and condescending tone. But I don't find that to be the case.

On the call the agent says, “If anybody has asked you to lie, please a reminder that this will be a lie.” I don't think the tone used by the agent was either threatening or condescending – he'd already explained that he was asking questions to identify whether the payment was possibly fraudulent. And so this warning was appropriate. And I don't think the questions asked of Mr K were unnecessarily intrusive. Mr K explains his background in fraud, and it may be that he felt the conversation was condescending because of his prior knowledge. But, as I've said above, I don't find the agent to have been rude or unprofessional.

My issue with the call, however, is that the agent told Mr K he couldn't make the payment he wanted to from the Nationwide account, and he'd have to use a different account with another financial institution. Mr K said he only held the Nationwide account. From that point, the agent offered no next steps to help Mr K. He didn't say he could refer the matter to see what could be done or that the payment could/would be further reviewed. He simply told Mr K it wasn't being paid. I don't think that's good customer service. The underlying information may've been right but there was no element of further assistance to the customer. And, bearing in mind Nationwide says it removed the block later, had it planned to tell Mr K about this as his transaction wasn't made?

Overall, I think that Nationwide has treated Mr K poorly and that it has caused him distress and inconvenience. I think it should've looked at whether his payment could be made more quickly and communicated its decision to Mr K. I've considered what amount should be awarded and, since Mr K has accepted our investigator's recommendation, see no reason to deviate from that.

Putting things right

In recognition of the poor customer service, Nationwide Building Society should pay Mr K £150 in compensation for the distress and inconvenience it caused.

My final decision

My final decision is that I uphold this complaint. I direct Nationwide Building Society to pay Mr K £150 as compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 23 April 2025.

Stephen Farmer
Ombudsman