

## **The complaint**

Ms R complains Nationwide Building Society unfairly closed her account without warning or explanation and provided her with poor service.

## **What happened**

Ms R held a Nationwide current account and savings account.

In early September 2024 Nationwide contacted Ms R asking for some information about activity on her accounts. At this time Ms R's account remained fully operational. A further request was sent in November 2024 explaining the accounts would be blocked as they were subject to review.

Ms R contacted Nationwide throughout November 2024 regarding the block on her accounts. Ms R explained the block was having a detrimental impact on her, and she was expecting incoming payments.

Ms R remained unhappy with Nationwide's responses and raised a formal complaint about its handling of her account. In its response dated 21 November 2024 Nationwide explained it can't give a timeframe on when the review will be complete, however it accepted that it hadn't provided Ms R with the right level of service as she was incorrectly informed the block on the account from September was linked to the current block. Nationwide paid Ms R £100 in recognition of the impact this error.

Nationwide completed its review and issued Ms R a notice to close letter on 21 November 2024. This explained that Ms R's accounts would close with immediate effect.

Ms R remained unhappy and referred her complaint to our service. An Investigator reviewed her concerns, and initially Ms R's complaint was upheld as Nationwide hadn't provided sufficient evidence to show it had reviewed and closed Ms R's accounts fairly. However, following this review Nationwide provided further evidence and the Investigator issued new findings. In summary they explained:

- Nationwide was entitled to close Ms R's accounts without providing a reason.
- Ms R's accounts were closed with immediate effect, but the terms and conditions allow Nationwide to do this in specific circumstances.
- There were no unreasonable delays in Nationwide's review.
- Ms R's concerns about the review of her mortgage and loan would need to be considered separately.

Ms R remained unhappy and maintained Nationwide had acted unfairly by closing her accounts without proper notice or reasons. The case has been referred to me – an ombudsman – for a final 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 appreciate Ms R was disappointed by the Investigator's opinion. I'd like to reassure Ms R that I've considered the whole file and what's she's said. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. No discourtesy is intended by me in taking this approach.

I'll start by setting out some context for the review of Ms R's accounts. UK legislation places extensive obligations on regulated financial businesses. Financial institutions must establish the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. This applies to both new and existing relationships. These obligations override all other obligations. In Ms R's case I'm satisfied Nationwide was complying with these obligations when it reviewed Ms R's accounts.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks 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. This means I haven't been able to share a lot of detail with Ms R, but I'd like to reassure her that I have considered everything that she's told us.

Ms R's account terms and conditions also allow Nationwide to block the accounts in specific circumstances. I understand Ms R's frustration with the block, and I don't doubt it would've had a detrimental impact on her, especially as she appears to have used the current account regularly. But I consider the block to be necessary to ensure Nationwide Building Society was able to comply with its regulatory requirements.

Whilst the accounts were blocked, I can see Nationwide asked Ms R for details regarding her account activity. Nationwide listed several transactions and asked Ms R to provide details regarding the source of funds and her entitlement to them. Blocking an account can have a serious impact on customers, so there is an expectation reviews are carried out promptly. In Ms R's case I think Nationwide conducted a detailed review of her account and provided her with ample opportunity to provide information. I can see Ms R co-operated with the review and promptly provided responses to the queries. Looking at the timeline of events I can't see that Nationwide caused any unnecessary delays during its review.

I can see whilst the block was in place Ms R contacted Nationwide a number of times for an update on her account. During the review Nationwide was only able to share limited information with Ms R, and this is generally the approach businesses are entitled take when conducting a review. So although I appreciate Ms R's concern with the lack of updates – especially given personal circumstances, I don't consider Nationwide's actions to be unreasonable. I can see Nationwide has paid Ms R £100 as she wasn't provided with accurate information. I think this amount fairly reflects the impact this issue had on Ms R, and I don't consider further compensation appropriate.

Nationwide's review of Ms R's accounts led to its ultimate decision to close them. I understand Ms R feels she is a long-standing customer and deserves better treatment. However, this isn't a factor we'd expect Nationwide to consider. Ultimately Nationwide is entitled to set their own policies and part of that will form their risk criteria. It is not in my remit to say what policies or risk appetite Nationwide should have in place.

I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly. As long as they reach their decisions fairly, it

doesn't breach law or regulations and is in keeping with the terms and conditions of the account, then this service won't usually intervene. They shouldn't decline to continue to provide banking services without proper reason, for instance of unfair bias or unlawful discrimination. And they must treat new and existing customers fairly. Given its regulatory and legal obligations, I'm satisfied Nationwide's decision to close the accounts was made fairly.

The terms and conditions of Ms R's accounts set out that the bank can close the accounts immediately. In this case Nationwide blocked Ms R's account, so I consider this to be akin to an immediate closure. For Nationwide to act fairly here they needed to meet the criteria to apply their terms for immediate closure – and having looked at these terms and all the evidence that it has provided, I'm satisfied that Nationwide did.

I can see Ms R has ongoing concerns about a loan and mortgage she holds with Nationwide. This service should be able to consider any complaint she has raised about these products separately once she has received a final response letter from Nationwide.

I'm sorry this isn't the outcome Ms R hoped for and I know she will be disappointed with the decision I've reached, but I hope it provides some clarity around why I won't be asking Nationwide to take any further action or compensate Ms R.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 8 May 2025.

Chandni Green  
**Ombudsman**