

The complaint

Mr C and Ms M complain Nationwide Building Society (NBS) threatened to suspend accounts they held on two occasions. Mr C and Ms M further complain NBS then suspended their accounts in error.

What happened

I sent the parties a provisional decision in March 2025, in which I set out the following background information to the complaint and my provisional findings, as follows:

Mr C and Ms M explained NBS received returned post from their address. Mr C said he thought the returned mail might have been for a different customer of NBS who no longer lived at their address. Mr C explained on two occasions NBS contacted him by text message and asked him to contact it to verify his details because of this returned mail. Mr C said he contacted NBS and avoided the suspension after confirming his address twice.

Mr C described discovering his accounts were missing from his NBS app a few weeks after the second time he had contacted NBS. He explained only his credit card account was now visible on his NBS app. Mr C contacted NBS it advised his accounts had been suspended because he hadn't confirmed his address after mail had been returned to NBS.

Mr C explains NBS told him it could take 24 hours for the suspension to be removed, Mr C said he thought this was too long. He said NBS didn't tell him his credit card was also suspended during this first call.

Mr C explained his credit card was subsequently declined when he was buying lunch, which caused him embarrassment, as he had to get a third party to pay. He therefore contacted NBS again who unblocked his credit card straight away. Mr C said he didn't get access to his other NBS accounts until the next morning.

Mr C also complains NBS asked him to respond within 24 hours to its complaint response letter. He also thought NBS had failed to understand the complaint and responded too quickly to have undertaken a full investigation into the causes of the suspension. Mr C explains he wants a full investigation and is concerned his account might be suspended again which could potentially cause significant hardship. Mr C has asked for assurance lessons have been learned and processes have been corrected so this will not happen again.

NBS wrote a final response letter and recognised it had told Mr C it could take 24 hours for a block to be lifted, when it should have told him 48 hours. It offered £50 compensation for the inconvenience this error caused. NBS also offered a further £75 for the inconvenience caused by the blocks because of the returned mail. NBS confirmed it is its process to suspend accounts when it receives returned mail but had noted Mr C's feedback.

Our investigator thought NBS's offer was fair. They explained NBS had shown it had received returned mail from Mr C and Ms M's address and had accepted it should have removed the marker on the address during the first call Mr C made following the first occurrence. They also accepted NBS had misadvised Mr C regarding the timeframes for lifting blocks.

Whilst our investigator accepted NBS had made some mistakes, they thought the overall impact had been minimal.

Since our investigator's view was issued, NBS has confirmed the returned mail which led to the block was related to Mr C savings account and provided evidence of this letter.

Mr C has rejected our investigator's recommendation explaining NBS hadn't changed its process or policy and thought the compensation offered didn't reflect the effort it had taken to resolve.

As Mr C and Ms M rejected our investigator's recommendation, their complaint has been passed to me to make a final decision.

My provisional findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I appreciate how strongly Mr C and Ms M feel about their complaint. Although I may not mention every point raised, I have considered everything but limited my findings to the areas which impact the outcome of the case. No discourtesy is intended by this, it just reflects the informal nature of our service.

From the evidence I have seen, I am satisfied a letter sent to Mr C about his savings account was returned to NBS undelivered. It isn't clear from the evidence why this occurred, I appreciate neither Mr C nor NBS are able to elaborate on the reasons for this returned mail, which was handled by a third party. I am reasonably satisfied for the purposes of this complaint, on balance, this was not a fault or mistake by NBS.

NBS has explained in such circumstances it will restrict accounts and seek to speak with its customer to ensure the address they hold is accurate. I am satisfied this is what happened here, the case notes I have seen corroborate NBS contacted Mr C and he confirmed his address. This should have resolved the issue, but NBS has accepted it didn't remove the marker as it should have. This mistake appears to have caused NBS to contact Mr C for a second time and to block the accounts a few weeks later.

Having established this mistake, I must now consider the impact this had on Mr C and Ms M. The first impact was Mr C had to make an additional telephone call to NBS after receiving a further text message. I appreciate this would have caused some inconvenience to Mr C and should have been necessary.

Following this, a few weeks later NBS restricted Mr C's accounts. NBS provided incorrect information regarding time frames when Mr C called and didn't tell him his credit card was also blocked. I also cannot see any evidence NBS notified Mr C or Ms M the accounts would be restricted before they were. I am satisfied this was poor customer service.

I can appreciate it would have been embarrassing and distressing for Mr C to have to ask a third party to pay for his lunch when his card was declined. I also provisionally think this embarrassment was avoidable, NBS should have recognised his credit card was also blocked and told him this during the first call. I can also see the worry about not being able to pay for transport home would have also caused some additional avoidable distress here.

I have also examined the responses to Mr C's complaint by NBS. I provisionally think neither of the first two responses explained what had happened or addressed many of the issues Mr C raised. The third response stated, 'I understand your frustrations as you had made us aware previously (21 August, 04 November and 19 November) of this occurrence but the process itself was correct.' However, NBS has since explained it didn't update its systems on the second two occasions as it should have. So whilst the process may have been correct, I do not think it was fair or reasonable in this correspondence to allude to no mistake occurring and the process being 'correct'.

I think the compensation offered is lower than I would expect. There has been a series of small mistakes, and I am provisionally satisfied this took several calls to resolve, when the issues at hand should have been resolved following the first call.

I am therefore satisfied there is evidence of repeated small errors by NBS requiring reasonable effort to resolve. I am also provisionally persuaded there is evidence of poor complaint handling which I am satisfied were ancillary to the complained about issues in these circumstances.

The impact appears to have been over a few days and has caused some inconvenience and distress. In mitigation, I can see Mr C accepts the impact wasn't as significant as it could have been, I would assure both parties I have taken Mr C's comments into account when deciding on the level of compensation.

For these reasons I am currently minded to uphold this complaint, and provisionally persuaded NBS should pay Mr C and Ms M a total of £200 compensation.

Finally, I appreciate Mr C has queried the processes and procedures NBS has in place regarding returned mail. How businesses choose to operate and the systems and processes they have in place is not something we consider as part of a complaint, these are matters for the regulator, the Financial Conduct Authority. It is not the role of the Financial Ombudsman Service to fine financial companies, this is the role of the regulator, the Financial Conduct Authority.

My provisional findings and the parties' responses

Mr C and Ms M accepted my provisional decision. Mr C asked a series of questions regarding the provisional decision, in summary these questions sought clarity on the following points:

- Did the issues occurred because of one single piece of returned mail?
- Why did NBS not contact Ms M when the block involved one of her accounts too (the joint account)?

NBS provided one piece of returned mail as evidence to our service, which was a letter concerning a savings account held in the sole name of Mr C. I think it is likely this is why NBS decided to correspond with Mr C about the issues.

NBS did not respond to my provisional decision.

Having reconsidered my provisional decision, I remain of the view I provided previously to both parties.

My final decision

For the reasons I have given, my final decision is I uphold Mr C and Ms M's complaint. I require Nationwide Building Society to pay Mr C and Ms M £200 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Ms M to accept or reject my decision before 24 April 2025.

Gareth Jones
Ombudsman