

The complaint

Miss S complains that Nationwide Building Society ('Nationwide') unfairly suspended access to her account.

What happened

Miss S had a current account with Nationwide. Nationwide wrote to Miss S in April 2024 to explain her account had been temporarily frozen because it had previously written to Miss S to request proof of identification (ID), which hadn't been provided. The letter stated Miss S could provide the ID in branch or send it to Nationwide in the post. And Nationwide say a document was included with the letter, stating which forms of ID Nationwide considered to be acceptable.

Miss S says she hadn't received any prior communication to this letter from Nationwide. She'd visited a branch in March 2024 to deposit cash into her account and says she hadn't been asked to show any ID, despite offering to show branch staff her passport. Miss S subsequently wrote to Nationwide in May 2024 to complain her account was frozen, requested an explanation regarding why Nationwide restricted the account, and why ID hadn't been requested in branch.

Nationwide responded to Miss S and confirmed it had blocked Miss S' account in order to meet its regulatory requirements. It went on to explain Miss S' ID hadn't been taken in branch when she deposited funds into her account because the account block wasn't in place at the time. And it didn't typically take ID when customers make deposits into their account, but Nationwide advised Miss S she should visit a branch with ID to lift the restrictions on the account.

Miss S contacted Nationwide again in July 2024. She said she'd been into a branch on the same day and previously in June 2024 when she presented her ID, but it wasn't accepted. Miss S expressed frustration that her account remained frozen and she didn't have access to her funds, without Nationwide having a legal order in place to do so. Miss S went on to say she no longer wished to be a Nationwide customer and that she intended to take further action, since she had adhered to Nationwide's request for ID but hadn't been given access to her account and funds.

In its final response letter, Nationwide said that when confirming a customer's identity, only certain forms of ID were deemed acceptable. And Nationwide required ID which was valid, in date and confirmed Miss S' name and address. It also provided a link to its website which listed the different forms of ID it accepts.

Miss S referred her complaint to our service. She said the Nationwide account had been open for some time and the account remained blocked. Miss S said she was living and working overseas but the address Nationwide had for her was a UK address. This hadn't been updated because Miss S intended to return to the UK in the future.

One of our Investigator's looked into things and didn't uphold the complaint.

In summary they said:

- Nationwide is entitled to conduct account reviews, in line with its legal and regulatory obligations
- Nationwide wrote to Miss S on several occasions to request ID and provided her with clear information about what ID was required
- Nationwide hadn't done anything wrong in keeping Miss S' account restricted and Miss S needed to provide acceptable ID, until which time her account would remain restricted

Miss S disagreed. In short, she said:

- Providing ID, means supplying information such as a passport or driver's license, not proof of address too. And the link to Nationwide's website didn't confirm this either but instead stated what type of documents Nationwide might ask to see
- The letter Nationwide initially sent to Miss S to request ID in April 2024, indicated Nationwide had made a request for ID previously. So, by agreeing Nationwide hadn't done anything wrong, our service was supporting Nationwide's dishonesty as Miss S hadn't received such correspondence
- Miss S wanted to know what proof of address Nationwide required, since she was no longer residing at her address in the UK. And Miss S wished to know why Nationwide blocked her account, what Know Your Customer (KYC) procedures Nationwide had followed and why it hadn't provided Miss S any warning or notification about the account block.

Upon Miss S' request, our Investigator provided Nationwide with Miss S' up to date address. Nationwide confirmed that since Miss S was abroad, it would update her address once it received a call from her and then complete the outstanding ID verification.

Miss S was also asked what ID she presented in branch on her two separate visits in June and July 2024. Miss S confirmed she took her passport, which isn't a UK one, into branch when she attempted to provide ID.

Miss S asked for her complaint to be decided by an ombudsman, so it's been passed to me to decide.

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 understand this will be disappointing for Miss S, so I'll explain why.

Financial businesses 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'm satisfied Nationwide was complying with the terms and conditions of the account, and its wider obligations, when it decided to request ID from Miss S and restrict the account in the

meantime. Nationwide is under no obligation to tell Miss S the reason behind the account review, provide advance warning of the review or give reasons for why it required the information it asked for.

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 I consider should be kept confidential.

Miss S says she didn't receive any prior correspondence to the letter she received from Nationwide in April. Having reviewed Nationwide's submissions, I haven't seen anything to suggest that it sent Miss S a request for ID before this date, so this could've been an error. But I've seen the letter and accompanying ID process letter sent in April. And I haven't seen any information to show the process letter wasn't included and Nationwide's website also clearly explained what ID and proof of address Nationwide would want to see.

Miss S says she went into a branch at the end of March 2024 and ID wasn't requested from her at that point - but her account wasn't under review at the time. Miss S confirms she provided her EU passport in branch on the subsequent two occasions that she visited, to verify her ID in June and July 2024. But Nationwide's list of ID states that if an EEA passport is provided as proof of name, additional documentation is required as proof of address.

I appreciate Miss S doesn't agree with the wording of Nationwide's requirements regarding proof of ID, but it was entitled to request the information it did, as part of its KYC obligations. Since Miss S hadn't provided her proof of address, it wasn't possible for Nationwide to satisfy its KYC obligations. And so Nationwide acted fairly in keeping her account blocked.

I note Miss S has recently updated her address with Nationwide to her overseas one. So Miss S should now be in a position to provide Nationwide with her proof of address.

Having considered everything, I don't think Nationwide did anything wrong in restricting Miss S' account and requesting the identification documents it did - so I won't be directing Nationwide to do anything to put things right.

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 Miss S to accept or reject my decision before 11 September 2025.

Khadijah Nakhuda
Ombudsman