

The complaint

Mr S complains that Nationwide Building Society unfairly blocked his account and took too long to release his money. Mr S is also unhappy with the service he received from Nationwide. Mr S says this has caused him financial loss and upset. To put things right Mr S wants compensation.

What happened

The detailed background of this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr S has a current account with Nationwide. Mr S has explained that in late 2024, he decided to help his wife buy an apartment overseas. And he asked his nephew for a loan to help fund the purchase. Mr S's nephew is the director of a company I will refer to as G.

On 2 September 2024, £25,000 was paid into Mr S's account from G. Mr S immediately transferred most of the funds to another account. On 6 September 2024, a second payment of £8,200 was made by G into Mr S's account.

Following this, Nationwide decided to review Mr S's account to comply with its legal and regulatory obligations. Whilst it completed its review Nationwide blocked Mr S's account. This meant Mr S wasn't able to access any money in his account. Nationwide wrote to Mr S to let him know it had blocked his account and asked him to provide information about his entitlement to the money he'd received from G.

After receiving the email, Mr S contacted Nationwide to find out what was happening with his account. He told Nationwide that he and his wife were overseas and he needed access to his funds urgently to complete on the purchase of an apartment. And that he was at risk of losing nearly £100,000 if Nationwide didn't allow him access to his account.

Nationwide explained to Mr S that it wanted him to provide evidence of where the money from G had originated – it asked Mr G to provide G's bank statements. In response, Mr S said he wasn't happy to provide this information. He said the statements contained business sensitive information relating to his nephew's contracts and providing them would also be a breach of data protection rules. He said the bank staff were abusing their powers and should be sacked.

In response to Nationwide's request for information about the payments from G, Mr S sent Nationwide copies of two promissory loan agreements, between him and G. The agreements set out that G had made Mr S two loans which Mr S would repay monthly. Mr S also sent details from Companies House relating to G. And explained that his family often help each other financially. Nationwide reviewed the information and didn't think it was sufficient. So, it repeated its request for Mr S to provide G's bank statements and warned Mr S that if he didn't do so it would close his account in 90 days.

Between 6 and 17 September 2024, Mr S had several phone calls and email exchanges with Nationwide. Mr S recorded the phone calls. During one of the calls Mr S overheard

Nationwide staff make disparaging remarks about Mr S and how he was using his account, which Mr S found upsetting. Mr S was also upset that some of the advisors he spoke to weren't happy he was recording the phone calls and disconnected his call.

Mr S told Nationwide that because he couldn't access the money in his account, he had to stay longer than he'd planned overseas to make sure the property purchase proceeded, which meant he incurred accommodation costs and extra everyday living expenses. Mr S also said that he and his wife had to miss work, so lost out on their earnings. Mr S estimated the total loss to be just under £10,000.

Nationwide looked at everything Mr S had provided and after reviewing what Mr S had told them about the payments decided not to close Mr S's account. Nationwide removed the block from Mr S's account on 17 September 2024, and Mr S was able to transfer £8,200 to his wife's account.

Mr S complained to Nationwide about the block on his account and how Nationwide had handled his calls. He said Nationwide had delayed releasing his money and had held his funds unlawfully, which had caused him a great deal of stress and financial loss.

In response, Nationwide said it hadn't done anything wrong when it had blocked Mr S's account and asked him for information to comply with its legal and regulatory obligations. It also said that the terms of Mr S's account made provision for this and referred him to the relevant section in the account terms.

Nationwide accepted that its service fell short of what Mr S could have expected when its staff made some upsetting comments which Mr S overheard. To put things right, Nationwide paid Mr S £100.

Mr S remained unhappy and brought his complaint to our service where one of our investigators looked into what had happened. After looking at everything, the investigator said that Nationwide hadn't treated Mr S unfairly when it had blocked his account and asked him to provide information.

In response to the investigator's view, Mr S said £100 doesn't adequately reflect the amount of distress and inconvenience he has suffered. He said he was forced to wait longer for Nationwide to release his money and staff contradicted themselves about him needing to provide his nephews bank statements because he hadn't done so and his money was still released. To put things right he want Nationwide to compensate him for his losses.

As no agreement could be reached the matter came 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.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from financial businesses as confidential for a number of reasons – for example, if it contains information about other customers, security information or commercially sensitive information. It's then for me to decide whether it's fair to rely on evidence that only one party has seen. It's not a one-sided rule; either party to a complaint can submit evidence in confidence if they wish to, and we'll then decide if it's fair to rely on it. Here, the information is sensitive and on balance I don't believe it should be disclosed. But it's also clearly material

to the issue of whether Nationwide has treated Mr S fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focused on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. But I have read all Mr S's submissions, which include listening to the calls Mr S had with Nationwide.

Firstly, I want to address Mr S's comments about whether Nationwide's actions were unlawful. And his suggestion that Nationwide should sack staff who blocked his account and dealt with his phone calls should be a police investigation into the actions of the staff who blocked his account. Mr S has made some serious allegations against Nationwide – that staff are abusing their positions. I want to assure Mr S that I've not seen any evidence that this is the case.

We've asked Nationwide to provide information about its rationale for blocking Mr S's account. I would expect it to set out for our service the full details of all its interactions with Mr S when asked to do so. And the events which led to it blocking the account. I've not seen any evidence that would suggest it hasn't done so. And I don't think as Mr S seems to fear, that there is anyone within Nationwide who is deliberately misleading or withholding information from this service.

I should also explain that our service is an informal alternative to the courts. I can't make a finding as to whether the law has been broken, and I don't need to in order to decide this complaint. I also want to make it clear that this service is not the regulator of financial businesses, and we don't police their internal processes or how they operate generally. That includes what it does to ensure it complies with its legal and regulatory obligations. I know Mr S says staff at Nationwide should be sacked, but it's also not for me to tell Nationwide who it should or shouldn't employ. We can't make Nationwide change its policies or procedures either. That's the role of the regulator, The Financial Conduct Authority.

I next turn to the block on Mr S's account. For context it may help to explain that Nationwide has important legal and regulatory obligations it must meet when providing accounts to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. To comply with its responsibilities Nationwide will monitor accounts and carry out specific or occasional checks, which is common industry practice. This can occur at any time, and as often as a bank deems necessary. Nationwide isn't obliged to forewarn its customers either that it intends to review a customer's account.

It's the bank's duty to reasonably ensure accounts are being used in the way they should and to protect the money which is held in them. In order to fulfil these obligations, banks sometimes block an account. Mr S's account terms and conditions also permit Nationwide to block an account.

I've considered the basis for Nationwide's review and decision to block Mr S's account. Mr S had received two payments into his account for just over £33,000 in total. The payments flagged as unusual on Nationwide's fraud alert systems as the payments weren't consistent with how Mr S had been operating his account. From looking at Mr S's account statement, I can see that Mr S's average balance was usually around £1,300. So, the payments from G were out of character. And I can understand why they were flagged for further review.

Nationwide reached out to Mr S for more information about the payments. In response, Mr S provided copies of two loan agreements between him and G, along with information from Companies House. Mr S also explained he was using the money to fund the purchase of an apartment.

Having reviewed everything, I've seen nothing to suggest Nationwide's decision around blocking and reviewing Mr S's account in September 2024, was unfair. On balance when considering Nationwide's wider regulatory responsibilities and all the information available to me, including the information Nationwide has shared with our serviced in confidence, I find Nationwide had a legitimate basis for blocking Mr S's account. So, it would not be appropriate for me to ask Nationwide to pay Mr S compensation since I don't find Nationwide acted inappropriately when it blocked his account.

I appreciate that Mr S felt the information that Nationwide requested was intrusive and unnecessary. And that Nationwide deliberately dragged out the process. Mr S has also argued that Nationwide have no right to ask him to provide information from a third party, which contains business sensitive information.

Whilst I understand the point Mr S is making, the information Nationwide was asking Mr S to provide is fairly standard information that banks, and other financial businesses are required to have in order to adhere to legal and regulatory responsibilities. It's not in my remit to determine what questions Nationwide should ask its customers for them to be satisfied they are meeting their legal or regulatory requirements. It would be the role of the regulator – the Financial Conduct Authority (FCA), who have the power to instruct Nationwide to make changes to their policies and procedures, if necessary.

It's also worth noting though that there is no set way in which the regulator requires a business to meet their obligations. Each business will have their own individual procedures with respect to meeting its requirements. This is to ensure each business can meet their regulatory requirements but also have the autonomy to operate its business as it sees fit. So, whilst I've considered Mr S's general comments about Nationwide's approach to discharging its regulatory duties, I haven't seen anything to persuade me its processes had a detrimental impact on Mr S. So, whilst I can appreciate Mr S's point of view about the necessity of the information Nationwide requested, I can't reasonably say that Nationwide was acting unfairly or unreasonably in asking Mr S for the information that it did.

Whilst Nationwide are entitled to restrict a customer's account, I'd expect them to do so in timely manner. Mr S's account was blocked from 6 – 17 September 2024. Mr S has explained that the block on his account caused him stress especially because he was in the middle of buying a property, which can be a stressful process at the best of times.

Whilst I understand how Nationwide's actions impacted Mr S, given everything I've seen I can't say there were any undue delays. Mr S's account was blocked for 11 days, so I've looked at what Nationwide were doing during this time. Having done so, I'm satisfied that Nationwide were proactive in completing its review, which included having to complete administrative processes in order to comply with its legal and regulatory obligations. I note too that Nationwide responded positively to Mr S's circumstances and expedited what it needed to do so that it could remove the block from Mr S's account and release his balance back to him as quickly as possible. This included having a senior member of staff review the information Mr S provided. So, I can't conclude Nationwide treated Mr S unfairly in taking the time it did to complete its review.

Lastly, Mr S has said that he is unhappy with the service Nationwide provided and how they handled things when he spoke to them. In particular he is upset that some of the call handlers terminated his calls when he told them he was recording the conversations – he says he is allowed to do this; call handlers made disparaging comments about him and accused him of making inappropriate comments.

Firstly, I believe it's important to explain that it's not the role of this service to supervise, regulate or impose fines on any business. It's also not our role to ask a business to alter its procedures or enforce changes to policies. That's the role of the regulator, The Financial Conduct Authority. My remit here is to decide whether I think Nationwide acted fairly and reasonably when applying those policies and procedures in the individual circumstances of Mr S's complaint.

In doing so, I appreciate that Nationwide is entitled to set their own policies about how it handles calls from consumers. It is not in my remit to say what policies Nationwide should have in place. I've listened to the calls Mr S made to Nationwide and I can hear how frustrated Mr S became but I think overall Nationwide tried to help him and were courteous. However, I do agree that the comments made by a call advisor on 9 October 2024, which voiced her personal observations about Mr S, were inappropriate. And I can understand why Mr S found the comments upsetting. I am pleased to see that Nationwide has accepted its service fell below the standard Mr S could have expected during this call. To put things right Nationwide has paid Mr S £100. I've considered Mr S's further comments about why he thinks he should get more compensation. But these don't change my conclusions. I think the amount of £100 is reasonable and fair in the circumstances and I won't be awarding any more.

In summary, I realise Mr S will be disappointed by my decision. And I appreciate it must have been a worrying and frustrating time for him. But having looked at all the evidence and circumstances of this complaint, I'm not persuaded Nationwide treated Mr S unfairly when it blocked his account and asked him to provide information. So, I won't be directing to direct Nationwide to do anything more to resolve Mr S's complaint.

My final decision

For the reasons I've explained my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 16 March 2026.

Sharon Kerrison
Ombudsman