

The complaint

Mr R is unhappy that Nationwide Building Society ('Nationwide') blocked a payment he had tried to make via his online banking. And, he's unhappy with the customer service he received when trying to resolve the matter.

What happened

On 20 August 2024, Mr R tried to make a payment to his niece via his online banking with Nationwide. The purpose of this payment was in relation to a house purchase his niece was making and he wanted to pay her a total of £3,500.

He received a potential scam warning when doing so and as this concerned him, he decided to first try to transfer £10 to her. This went through successfully and he then decided to try and transfer a larger amount of £1,000. This also went through successfully and so at approximately 11:40pm he attempted to transfer the final amount of £2,490 to her. But, this payment was blocked by Nationwide.

The next morning (21 August 2024), Mr R called Nationwide to resolve the matter. The first agent he spoke with ascertained that while there was not a block on his card, there was a block on the payment he had tried to make as Nationwide had some fraud concerns about it.

They therefore transferred Mr R through to the fraud team where he spoke to a second agent. The second agent asked Mr R various questions about the payment, the purpose of it and who it was going to. But, this conversation quickly broke down.

At the end of the call, the agent explained to Mr R that they required further information from him in relation to the payment in order to unblock it. They explained that he would receive an email with the detail of what was required and once he'd provided that information, they would review it and decide whether the payment could be unblocked.

Following the phone call, Mr R sent in the required evidence and the fraud team started to review it. In the meantime, Mr R was unhappy with how long it was taking to unblock the payment, and both called and sent emails to Nationwide chasing up the matter.

In the afternoon, a third agent from Nationwide called Mr R and explained that based on the further information he'd provided, their concerns about the payment had been resolved. They explained that the funds would be released back into Mr R's account (which happened at approximately 2pm), after which he could then attempt to make the payment again.

Mr R then called Nationwide again as he'd re-attempted the payment but it hadn't worked. He started to walk to a local branch, and while doing that, tried the payment again and was able to make it successfully by approximately 4:30pm.

As part of his conversations earlier in the day with Nationwide, Mr R asked them to log a complaint. Nationwide provided their first final response letter to his complaint on 29 August 2024. In summary, Nationwide explained they didn't feel they'd done anything wrong in relation to the payment or the further information they asked Mr R to provide about it. They also explained that they didn't find Mr R's behaviour towards their staff in the aforementioned phone calls acceptable and asked him to be mindful of the way he treated staff going forward, or they may take further action.

Mr R was unhappy with this response and raised multiple further points with Nationwide which in summary were:

- He didn't feel he'd been rude to staff or that Nationwide's warning about his behaviour on the phone calls was warranted.
- He was unhappy his payment had been blocked, the length of time it took Nationwide to resolve the matter and with the questions he was asked as part of that.
- He was unhappy with how the agent on the second phone call he had on 21 August 2024 had behaved towards him and he didn't feel they'd handled the call well. He was also unhappy that the agent referred to his husband as 'her' during that call and about the notes the agent had made describing the conversation, as he felt they had misrepresented him.
- He was unhappy about the third agent he spoke to who confirmed the payment had been unblocked as he didn't feel they'd behaved well towards him during that conversation.
- He felt he'd been the subject of homophobic bias as the questions he was asked about his family in relation to the payment would not have been asked of a straight customer.
- He was unhappy staff did not warn him that he may mistakenly be committing fraud in relation to his niece's house purchase.

Nationwide considered Mr R's further concerns and responded to them over multiple further letters. I won't repeat all of the detail here but in summary, they did not feel they had made any error and therefore reiterated that they wouldn't be upholding the complaint.

As Mr R remained unhappy, he referred his complaint to our Service on 13 January 2025.

One of our Service's Investigators looked into the complaint. Having considered everything, they did not think the complaint should be upheld.

Mr R did not agree and ultimately requested that the matter be referred to an Ombudsman for a final decision to be made – which is why it has now been passed to me.

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 want to make it clear that my role as an Ombudsman is not to address every single point that has been made to date. Instead, it is to decide what is fair and reasonable in the circumstances of this complaint. If I haven't commented on, or referred to, something that either party has said, this doesn't mean I haven't considered it. Rather, that I've focused here on addressing what I consider to be the key issues in deciding this complaint and explaining the reasons for reaching my decision.

Having considered everything, I agree with the outcome reached by the Investigator, and for broadly the same reasons. I'll set out my findings below.

Nationwide's payment block

As noted above, Mr R is unhappy that Nationwide blocked his payment. And, with the questions he was asked as part of their investigation into the payment and how long it ultimately took them to resolve the matter.

I've firstly reviewed the terms and conditions of Mr R's account. And, I can see that it does explain that Nationwide may block payments where they have fraud concerns. Businesses like Nationwide are also required by the regulator to have processes in place to protect their

customers from fraud and to be able to evidence how they've resolved such concerns, if they have them.

Regarding Mr R's payment, this was to a new payee and was the third payment he had tried to make in relatively quick succession. It wasn't immediately clear what the payment was for, nor his relationship to the person he was paying it to. It was also for a larger amount (increasing over the course of the three payments). And, this was his entire account balance at the time.

Given these factors, I don't think it was unreasonable for the payment to have flagged up on Nationwide's systems and for them to have blocked it in order to investigate further.

Further, given Mr R's seeming unwillingness to co-operate with the agent's questions about the payment and his urgency that the payment be made, which could potentially have been signs of coercion, I also don't think it was unreasonable for Nationwide to ask for further evidence in order to satisfy themselves the payment was legitimate.

I appreciate the questions asked and the evidence requested felt intrusive to Mr R, but as I've outlined I don't think it was unreasonable for Nationwide to satisfy themselves that the payment was legitimate and it's ultimately at their discretion what questions they ask or evidence they feel is necessary to do that. From listening to the conversations Mr R had and the information that was requested, I think Nationwide were simply trying to understand the payment he was trying to make.

I also don't have any concerns about the length of time it took for Nationwide to investigate and release the payment. Nationwide explained that their own timeframe for such a review is generally two working days and the matter was resolved within that time. Ultimately, the situation was resolved in less than one working day, less than twenty-four hours after it had occurred which I can't agree is unreasonable.

Lastly, having seen Nationwide's notes, Mr R expressed his unhappiness with a particular section where they had hypothesised about the payment and its intended purpose, including that it was possible Mr R was providing funds towards a house purchase which hadn't been declared in the proper manner. Mr R is unhappy staff did not warn him about this.

But I don't think Nationwide were doing anything wrong in hypothesising in this way for the purpose of their investigation. And, I can't see that as part of that it was their role to advise consumers in wider sense about any legal liability in relation to a house purchase someone else was making. Nationwide also explained in their letter dated 5 November 2024 that they wouldn't generally be able to raise such a matter with a customer as it may be a criminal offence for them to do so.

So again, while I appreciate what happened was frustrating and inconvenient for Mr R, I can't agree Nationwide have made any error here.

Telephone calls and behaviour warning

As outlined above, following the telephone calls Mr R had with Nationwide on 21 August 2024, they gave him a warning about the behaviour he had shown towards staff during these calls. They asked him to be mindful of this going forward and explained that if it happened again, they may have to take further action.

Businesses like Nationwide are required to have processes and policies in place to protect their staff from unreasonable behaviour. And, it's ultimately at their discretion what behaviour they consider to be inappropriate and at what point they would take action about such behaviour.

I've listened to all the phone calls Mr R had with Nationwide on that day. And having done so, I don't think it was unreasonable for Nationwide to take the decision to warn Mr R about his language and behaviour. I'll explain.

Some of the phone calls, in particular the second and fourth calls Mr R had with the relevant agents, I don't think were handled perfectly and there are learning points that could be taken from them by Nationwide. For example, I agree with Nationwide that the agents could have been more polite at certain points, and I agree that Mr R wasn't "*screaming*" as the second agent said during the conversation.

But equally, I can hear from the calls that Mr R did consistently raise his voice, spoke abruptly to staff and at points was sarcastic to them as well as unduly pressuring them to act more quickly. During the last phone call he had, I can also hear an occasion where Mr R swore.

I fully appreciate Mr R has his own opinion about what happened, which he's entitled to. And to be clear, my role here isn't to reach a conclusion or judgement on Mr R's behaviour. Rather, it is to decide whether I think Nationwide's decision to give him a warning about his behaviour was reasonable. For the reasons I've explained above, I think it was reasonable and they've followed their own process correctly, applying it in a fair way.

Mr R was also unhappy with the notes the agent on the second call made about the conversation as he feels they've misrepresented him. Nationwide have accepted that there were some parts of this that weren't accurate or appropriate. For example, as above, saying during the call that Mr R was "*screaming*". And, saying in the notes that he had been "*very horrible*" on the call. But, they've reiterated that they felt Mr R had been rude and therefore a warning was appropriate.

Regarding the notes, ultimately, I think the relevant agent's notes are simply a reflection of how they felt about the conversation, an opinion they're also entitled to in the same way as Mr R. I also don't think the majority of the notes made are an inaccurate characterisation of how the conversations went. And again, for the reasons I've explained above I don't think the warning Nationwide gave Mr R was unreasonable.

I acknowledge Mr R's strength of feeling on the matter, but for the reasons I've explained, I'm not asking Nationwide to do anything further to resolve this point.

Bias and mis-gendering

As I've already outlined, I don't think the questions Nationwide asked Mr R about the payment were unreasonable. But, Mr R has also said these questions came from a place of homophobic bias on the part of the agent.

Our Service is unable to make a finding on whether Nationwide have broken the law, including whether they've discriminated against Mr R under the Equality Act 2010 (which would be the relevant law here).

But as outlined, my role is to decide whether Nationwide have acted fairly and reasonably and as part of that, I'm required to take the relevant law into account.

And having considered everything, I'm not persuaded the questions Mr R was asked came from a place of homophobic bias on the part of the agent, or that they displayed such bias towards him. From listening to the calls, I think Nationwide were simply trying to understand the payment and Mr R's connection to the payee (having no prior knowledge of this) in order to satisfy themselves that the payment was legitimate. I haven't seen anything which makes me think that Mr R was treated differently than any other customer would have been in the same situation. I fully appreciate Mr R's comments regarding, for example, micro-aggressions and unfair treatment towards the LGBT+ community in a wider sense. I agree with his comments that this is an issue in wider society but I'm not persuaded that is what has happened here in this particular case.

Regarding the issue of mis-gendering, I can hear that on the second phone call the agent did refer to Mr R's husband as "*her*". And I agree this was an error on Nationwide's part which wasn't appropriate.

I note that Mr R did not raise this during the call with the agent. And, to be clear, I'm not saying that he should have done – there may be good reasons why a consumer doesn't feel able to in the moment. Mr R has said he didn't feel able to raise this in the moment, but that it was still upsetting, which I fully acknowledge, and I can appreciate why he was upset by this.

If Mr R had raised it, I would have expected the agent to apologise and then use the correct pronoun going forward. I don't think from listening to the call that the agent realised their error, particularly since by that point the conversation had broken down and both parties were speaking over each other. From listening to the call, I think it was more likely a simple mistake rather than coming from a place of homophobic bias on the agent's part.

Nationwide have provided an apology to Mr R for this error in the letter of 23 October 2024, which I think is sufficient. It isn't part of our Service's remit to mandate individual apologies from specific members of staff or to direct Nationwide as how they train or feedback to them.

So, overall, I'm not asking Nationwide to do anything further.

My final decision

For the reasons I've explained above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 29 May 2025.

Fiona Mallinson
Ombudsman