

The complaint

Mr G complains about the treatment he's received from Nationwide Building Society following attempts to make payments to a charitable organisation abroad. These payments were blocked, and all Mr G's accounts were closed, resulting in inconvenience and a loss on savings interest on his bond accounts.

What happened

In February 2024 Mr G attempted to make a transfer of £2,000 from his account. This payment was blocked and didn't go through. Mr G attempted to make the payment again, the second time he attempted £1,500 but this was also blocked and didn't go through.

Nationwide contacted Mr G for more information about the payments he was making, information that included the recipient of the payment, and the links to the ultimate beneficiary. Mr G provided information over the phone and followed up with supporting evidence in an email. Mr G made his first complaint at this time.

In March both payments were cancelled and returned to Mr G's account. Mr G asked if future payments to the same recipient would be processed. Mr G followed this up with an email explaining it was his intention to send £1,000 to the recipient every two weeks and wanted to know whether these payments would be blocked.

Nationwide responded to explain it could restrict transactions but didn't specify whether it would restrict the specific transactions Mr G was asking about. Mr G contacted Nationwide asking if his specific payments would be blocked going forward.

Nationwide responded to Mr G's complaint awarding £250, as it hadn't managed Mr G's expectations and caused delays in its investigation.

Following further communication, Nationwide sent Mr G a final warning letter explaining an email Mr G sent to it consisted of abusive and racial comments, and this type of behaviour goes against the terms and conditions of the account. The letter explained that if Nationwide hears of any further incidents or similar behaviour, it will close the account immediately.

In April Mr G disputed that his comments were racist and weren't directed at anyone at Nationwide. He raised concerns again about Nationwide restricting payments for the charitable organisation he intended to pay, and also asked for a guarantee his payments wouldn't be blocked again.

Having not received a response, in May Mr G raised a complaint about the final warning letter he received, wanting an apology, withdrawal of the letter, compensation, and specific reasons why his money can't be transferred. He also highlighted other cases he'd become aware of where other customers had been told that the territory he was attempting to send money to was sanctioned and money can't be sent there.

Nationwide say it sent Mr G an account closure letter, giving Mr G 90 days' notice it would be closing his accounts. Mr G says this was never received and argues it wasn't sent. He

later received it in June.

Nationwide responded to Mr G's complaint standing by its final warning letter.

In June, Mr G disputed Nationwide's response, explaining his requests hadn't been answered. Mr G made a new complaint about the decision to close his accounts, and sent Nationwide multiple emails setting out his complaint in full.

In July Nationwide provided its response to the complaint, explaining that all his accounts would be closed, and that the closure date would not be extended. This response did explain that there had been a delay in returning SWIFT fees in relation to the two returned transfers and paid £50 compensation for this.

Mr G was unhappy with this response and responded accordingly to Nationwide in August. Mr G also explained he's unhappy that his fixed term bonds had been closed, stating this was a breach of contract. Mr G asked for £13 for a FlexPlus fee, and a £65 age upgrade fee to be refunded. Nationwide agreed to refund these fees and paid this alongside his closing balances.

Unhappy with the way he'd been treated by Nationwide, Mr G contacted our service to raise the complaint. Following the initial referral Mr G added additional points to his complaint, these related to the account fees, and interest calculations. Mr G provided his explanation regarding how much he felt he was owed on each account in interest. Mr G provided his calculation on the basis of the accounts running to full term. Mr G explained that given he hadn't breached the terms and conditions of the accounts, he should be paid the full sums due under the accounts.

Nationwide provided a further response to Mr G explaining interest had not been included in the closing balances of the account. This was due to an error and £1,327.38 in interest would be paid to cover interest accrued on all the accounts. Nationwide explained it would also pay £50 compensation in recognition of the delay.

Mr G contacted Nationwide to explain that the interest calculation was incorrect and on the basis that he hasn't breached the terms and conditions, he should be paid the interest due in full. Mr G also explained he hasn't received the £40 swift fees or £50 compensation in relation to them.

Nationwide responded in September to provide a breakdown of how much interest was paid per account, and the dates on which the interest calculation was based on. It also explained the £90 was paid into Mr G's account on 30 July 2024. £78 for fees was paid in the account on 19 August 2024. The further £50 was paid into Mr G's account on 27 August 2024.

Our investigator looked at the case and decided Nationwide closures of Mr G's accounts were done in line with the applicable terms and conditions. Whilst he agreed Nationwide's handling of the matter could've been better, he could not say Nationwide needed to take any further action on top of the redress already paid.

Mr G responded disagreeing and felt we hadn't considered the entire complaint. Mr G restated his complaint under three headings. The refusal to transfer funds, in which he considered there was no legal or regulatory obligations that impacted his transfers. Mr G has explained that all banks have the same obligations, yet he's been able to transfer funds from other accounts to the same recipient. He's also considered the investigation to have accepted lies, under the guise of confidentiality.

Mr G disagreed with the reason for debanking him, he says the explanation that he was using the account for illegitimate purposes, was a lie. Mr G reiterated his reasons for transferring the funds.

Mr G explained that the investigator had failed to address the closure of the bonds. He explained that the terms set out provisions for the closure of bonds in exceptional circumstances, yet Nationwide never claimed any exceptional circumstances exist. He quoted a letter that said the fixed rate bonds would remain open until they are due to mature and then would close. Mr G has said the decision to close his bonds was a clear breach of contract, and Nationwide should be responsible for the amount outstanding under the contract. Mr G also requested all the evidence Nationwide provided.

The investigator responded, explaining that he had considered Nationwide had closed the bonds in line with the relevant terms, and there was no breach of contract. He also provided the information that he was able to provide.

Following receipt of the information provided, Mr G provided a further submission to our service for review.

As Mr G didn't agree, this complaint has 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.

I'm aware I've summarised events of the complaint and in 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 focussed 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. I do stress however that I've considered everything that Mr G and Nationwide have said before reaching my decision.

I've considered Mr G's comments regarding the confidential information; I would add 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. Here, the information is sensitive and on balance I don't believe it should be disclosed. But it's also material to the issue of whether Nationwide treated Mr G fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.

Transaction blocks

Nationwide has extensive and important legal and regulatory responsibilities they must meet when providing account service to its customers. Those obligations sometimes lead to payment instructions being blocked, declined and accounts being closed.

The terms of Mr G's Nationwide account, which Mr G agreed to when he opened the account, make provision for this.

"We may need more information, like the address of the person you're paying or the name and address of the bank. You must give us this if we ask.

We might need to do extra checks which can slow things down or stop the payment until we get the information we need. In some cases, we might not be able to make the payment at all.”

Given the obligations Nationwide must follow, and looking at all the circumstances of this complaint, I'm satisfied that Nationwide acted fairly when reviewing and blocking Mr G's payment instruction. And it did so in line with its terms and conditions.

I appreciate that Mr G would want to know why the payment was reviewed and blocked, and whether future payments to the same recipient would also be blocked. But Nationwide are under no obligation to explain the specific reasons why a transaction was blocked, nor would it need to tell Mr G whether or not future transactions would be blocked. I'm satisfied Nationwide has acted fairly in blocking the payment and in its response to the request to find out if future payments would be blocked.

Account closure

It's generally for banks and financial businesses to decide whether or not they want to provide or continue to provide banking facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that a bank must keep a customer or require it to compensate a customer who has had their account closed.

That's because Nationwide is entitled to close an account with Mr G just as Mr G is entitled to close his account with Nationwide. But before Nationwide closes an account, it must do so in a way which is fair and complies with the terms and conditions of the account. I've looked at the terms and conditions for the current account, and they allow Nationwide to end the agreement for any reason by providing at least two months' notice. The terms allow Nationwide to close the account more quickly or straight away, but only for a reason set out in the terms.

Nationwide wrote to Mr G and provided him with a three months' notice period to close the account. I appreciate Mr G says he didn't receive this letter, but I've seen that Mr G did follow up with Nationwide about not receiving the letter, and had it resent to him well within the 90 day notice period given. Mr G says given it was a joint account, notice should've been provided to both parties. I agree notice should've been addressed to both parties, and like Mr G, I haven't seen that it has been. That being said, Mr G had been provided the notice, and he was resent the notice to close with significant time before the account was closed. Given Mr G was aware, I haven't seen anything to suggest anything would've been done differently, had Mr G received the notice to close sooner or if they'd also been addressed to Ms M.

I've then gone on to consider whether Nationwide's reason for closing the account was fair. Nationwide hasn't provided Mr G the reason for closing the account, and it's not obliged to. I don't think it's done anything wrong in not providing Mr G with a reason. But it has provided us with the reason and supporting evidence. This includes information that we've decided should be kept confidential. Having looked at all the information Nationwide considered as part of its investigation, I'm satisfied it was entitled to close the account in the manner that it has.

Mr G also had bond accounts that were closed. He feels these should've remained open for the full term of the bond, or Nationwide should pay the bonds out as if it had run the full term. He says Nationwide isn't entitled to close these accounts in the manner in which it has done.

I've considered the terms and conditions of the bond account. Nationwide terms for bond accounts allow Nationwide to close an account giving two months' notice, but also state in

these circumstances Nationwide will make sure the notice period doesn't end before the end of the fixed term.

They go on to explain that even where a product has a fixed term, Nationwide can close an account straight away, but only for exceptional circumstances. It goes on to provide examples of exceptional circumstances. Nationwide has closed Mr G's bond account before the fixed term period has ended; to do so in line with its terms, it can only close a bond account in exceptional circumstances. Having looked at the information Nationwide considered as part of its investigation, which includes information I've considered should be kept confidential, I'm satisfied that it was entitled to close the bond account in the way that it has done, and has done so in line with its terms and conditions. I appreciate Mr G would naturally want to know the exceptional circumstances Nationwide has relied upon. But Nationwide is not obliged to share this with Mr G. So, I can't say it's done anything wrong in not giving him that information. And it wouldn't be appropriate for me to require it to do so. But it has provided us with the reason and supporting evidence.

On the basis I've considered Nationwide to have fairly closed Mr G's bond accounts, I don't agree Nationwide has acted outside its terms and conditions. I therefore disagree Nationwide should be required to refund Mr G as if the bonds had run to the full fixed term period. I'm satisfied Nationwide's method of calculating and refunding interest, which was to refund the interest up to the date it started processing the payment for it, was fair and reasonable in the circumstances of the complaint.

Service issues

Mr G has raised multiple issues with the service he's received from Nationwide. When initially responding to Nationwide's request for information about the payments Mr G refers to a call in which he was assured, on receipt of certain information, that his £1,500 would be sent out, and the £2,000 payment would be returned. After Mr G had followed up the call with an email he received no response, he made a complaint and then followed up the complaint response with a further complaint. We don't have a recording of the call, but neither Nationwide nor Mr G disagree that he was provided assurances that his payments would be completed as requested. Nationwide's agreed that Mr G's expectations hadn't been managed appropriately, and the investigation hadn't been completed in a timely manner. Having reviewed the timeline, and the communication regarding the payments and taken on board what Mr G has said I'm satisfied that Nationwide were correct in highlighting these failings in its complaint response letter of March 2024.

Following this and further communication between Mr G and Nationwide, Nationwide sent Mr G a letter providing a final warning about his behaviour towards it. This letter refers to "*abusive and racial comments*" and "*inappropriate language*" and asks Mr G to act appropriately towards its staff. The letter explains the reasons this type of behaviour is against its account terms and the consequences if it happens again, including that "*we'll close your account immediately without telling you first.*" Mr G does not accept that there was any aggressive behaviour on his part, nor that he used foul, abusive or racial comments.

Nationwide is entitled to have policies and procedures in place regarding the behaviour it is willing to accept from customers. Having reviewed Mr G's communication I don't think it was unreasonable that Nationwide set out its policy to him and warn him of future conduct. Whilst I do accept Mr G's concerns that Nationwide has been inconsistent with how it's referred to his behaviour and it hasn't always been specific as to what behaviour or comments it deemed unacceptable. I'm satisfied here that other than providing a warning letter to Mr G about the behaviour, it's taken no further action in relation to this. So, I'm satisfied it hasn't had any impact in Nationwide's decision making on the account.

Mr G has also alleged a number of occurrences where Nationwide has been inconsistent or contradictory in its communication with him. Mr G has said he received communication telling him his bonds would not close along with his current accounts, only to be told shortly after that the bonds would be closing. I would expect Nationwide to be clear and consistent in its messaging with Mr G, and here it wasn't. It's likely this would have caused extra frustration.

I'm aware that as part of Mr G's complaint he's submitted evidence that relates to other individual's complaints, and Nationwide's response to those complaints. Whilst I appreciate Mr G providing that as additional context to his complaint, I won't be addressing issues that don't directly relate to Mr G's accounts. Mr G also had to chase up, and highlight refunds he felt he were due on the accounts, like SWIFT fees and account fees that he felt he shouldn't have to pay.

Overall, I do agree Nationwide could have provided Mr G with better service. It has acknowledged some of these shortcomings in its final response letters and it has issued compensation. As well as refunding all the fees and charges Mr G has set out, Nationwide has also paid £350 over three payments (£250, £50, and £50) over the course of Mr G's complaints.

I've no doubt that the errors and poor service provided would have caused Mr G some distress and inconvenience. I also recognise that a significant amount of Mr G's distress and inconvenience is down to issues, that I've deemed have not been mistakes or errors. Considering the impact of the mistakes that have been made, I'm satisfied that the overall payments of £350 fairly reflects this. For the reasons given I won't be asking Nationwide to do any more to settle this complaint.

My final decision

For the reasons given above I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Ms M to accept or reject my decision before 27 February 2026.

Simon Yates
Ombudsman