

## **The complaint**

Mr M complains that Nationwide Building Society ('Nationwide') suspended his credit card account.

## **What happened**

Mr M is disappointed that Nationwide chose to suspend his credit card account when he'd been in persistent debt. He has explained that he needed the card to pay for essential items to give him mobility as he's disabled.

Nationwide explained that the card had been suspended due to persistent debt obligations that were imposed on them by their regulator, the Financial Conduct Authority (FCA).

When Mr M referred his complaint to this service our investigator didn't think Nationwide had been unreasonable. Mr M was still dissatisfied so his complaint has been referred to me, an ombudsman, for a final decision.

## **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.

The terms of Mr M's account with Nationwide explained:

*"We can suspend or cancel your right to use cards [...] if we think it is reasonably necessary because:*

*d) there are legal or regulatory obligations we have to meet;"*

If an account is accumulating more in fees and charges than is being paid off over a prolonged period (usually 18 months) it is considered to be in persistent debt. The FCA imposes obligations on lenders in those circumstances. When an account has been in persistent debt for 36 months it says the lender must propose a repayment plan to allow the consumer to repay the balance on the account in a reasonable period and that they may suspend the account. I can't, therefore, say Nationwide were unreasonable to do so here. Mr M had been in persistent debt for 36 months and hadn't demonstrated a willingness or ability to make over payments to his account balance so that the debt could be reduced. It would be unreasonable for Nationwide to allow his debt to increase without taking the actions they were obliged to take by their regulator.

## **My final decision**

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 26 May 2025.

Phillip McMahon  
**Ombudsman**