

The complaint

Miss R complains about the negative impact on her following Nationwide Building Society closing her account in error.

What happened

Around November last year, Miss R wrote to Nationwide asking that it close one of two accounts she held with the firm. Nationwide closed the wrong account in error. Upon realising this, it opened a replacement account for Miss R around a week later and her funds were transferred over to this account.

After Miss R complained, Nationwide responded accepting it had made an error in the way it interpreted Miss R's closure request. The firm also apologised for the inconvenience caused by its mistake and offered Miss R £300 compensation to put things right. It also offered to refund any overdraft charges Miss R incurred following the incorrect closure of her account. As Miss R had raised a concern about fees charged on her credit card, Nationwide also confirmed that no charges had been incurred.

Miss R remained unhappy and asked this service to review her complaint. She wants Nationwide to pay her £1,000 compensation because she was left without access to her pension and other funds and had to borrow funds from someone else.

Our investigator concluded that Nationwide's compensation offer is fair. Miss R doesn't agree and questions why the firm failed to contact her to clarify which account she wanted to close. Miss R says the closure resulted in her pension and other benefit payments failing to arrive in her account and that she was deprived of funds for three weeks. Miss R also says she couldn't meet direct debit payments and cheques she had issued couldn't be processed. Miss R remains unhappy that she had to put in a lot of work to rearrange her financials and this was more difficult for her given she's elderly.

As Miss R remains unhappy, the complaint has been passed to me for a final review.

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 don't need to make a finding on whether Nationwide did something wrong here. The firm already accepts it made an error and offered Miss R compensation. Nationwide also agrees it could've contacted Miss R to confirm which account she wanted closing. What remains of the dispute is whether £300 compensation fairly makes up for the distress and inconvenience caused to Miss R. I'm satisfied that the compensation figure that's been offered is fair, and I'll explain why.

Miss R's main concern is that she was left without funds and, importantly, couldn't receive her pension and benefit payments. I appreciate it would've been difficult for Miss R to pay for essential living expenses without access to her funds. Miss R says she was left without

access to her funds for three weeks.

However, as much as I accept this would've been a distressing period for her, I'm not persuaded that the distress and inconvenience Miss R experienced was to the degree that she describes. Nationwide managed to set up a new account to replace what was closed within around a week and the firm says Miss R's closing balance was transferred into the new account on 5 December. And I can see that both her accounts received benefit payments around this period, so I can't agree that such payments failed to arrive because of Nationwide's error.

Moreover, Nationwide allowed Miss R continued use of her overdraft, offering to refund any overdraft fees she incurred as a result. Miss R also pointed out that she was able to borrow £1,500 to cover her costs during this period. So I can't agree that Miss R was left without financial means during this period, nor am I persuaded that this was the case for three weeks as she says.

Looking at Miss R's submissions, I've seen no evidence that she incurred any fees due to late payments nor have I seen any additional charges on her credit card above and beyond the standard interest calculation. So I'm satisfied Miss R hasn't lost out financially because of Nationwide's error.

I do recognise that Miss R would've experienced a degree of inconvenience here, as she had to set up her regular payments under a new account and I can empathise with how difficult this would've been for her. I also appreciate the distress she experienced given she had to let third parties know that her cheques were no longer valid. Considering what I've said above and my overall review of the impact on Miss R, I'm satisfied though that £300 compensation fairly settles this complaint.

So I won't be asking Nationwide to increase its compensation award. If it hasn't been paid already, Miss R may contact Nationwide in order to receive the compensation payment it offered her.

My final decision

For the reasons explained above, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 11 August 2025.

Abdul Ali
Ombudsman