

The complaint

Miss D complains that Nationwide Building Society acted unfairly when it blocked and closed her accounts. Miss D is also unhappy about how Nationwide communicated with her about the information it requested and didn't consider her circumstances.

What happened

Miss D was a long-standing customer of Nationwide and had two current accounts and two savings accounts.

In October 2024, Nationwide reviewed Miss D's accounts as part of its Know your Customer (KYC) process following receipt of approx. £31,600 in a one-month period.

On 28 October 2024, Nationwide wrote to Miss D and asked her to provide information about several transactions on her accounts. Nationwide asked Miss D to provide three months' worth of bank statements to show the source of funds that had been deposited into her Nationwide accounts. And explained that it needed the information to comply with its legal and regulatory obligations. Nationwide asked Miss D to provide the information to them by 30 October 2024.

Miss D contacted Nationwide. She explained that she was suffering from health conditions and attending hospital appointments. So, she needed more time to get the information together and provide it to Nationwide. Miss D asked for a three-month extension due to her health conditions.

Nationwide asked Miss D about her health conditions and how they impacted her ability to provide the information. It said it was willing to make any adjustments necessary. But Miss D didn't provide any specific details other than she was attending hospital appointments.

Miss D sent Nationwide some statements. Nationwide reviewed these and told Miss D they still needed to see bank statements for other accounts.

Nationwide agreed to grant Miss D an extension until 18 November 2024. Overall, Nationwide gave Miss D 24 days in total to supply her bank documentation. Aside from the documents requested, Nationwide asked in various emails and telephone attempts for information related to specific payments, that would have been accepted verbally or in writing. Despite Miss D replying to several of Nationwide's emails, no information regarding payments was provided that was sufficient to mitigate the banks concerns. Following this because Nationwide had made several attempts to contact Miss D and had failed to get the information it needed, Nationwide blocked Miss D's accounts.

On 22 November 2024, Nationwide managed to speak to Miss D and asked her about health conditions. Miss D said she wasn't happy to tell Nationwide much about her health as they weren't doctors. She said the block on her accounts was making life very difficult for her and she wasn't able to pay for taxis to get to her hospital appointments or food. Nationwide said

it couldn't give Miss D a timeframe about when its review would be completed and asked Miss D again to provide the outstanding information.

Miss D didn't provide anything more so on 2 December 2024, Nationwide decided to close of Miss D's accounts immediately.

Miss D complained and asked Nationwide to reconsider its decision. Nationwide reviewed everything again but maintained its position. Nationwide said it hadn't done anything wrong when it had asked Miss D for information. Nationwide explained that it needed the information to comply with its legal and regulatory obligations. But Miss D hadn't been willing to provide the information. So, it had closed Miss D's accounts in line with the terms and conditions.

Miss D remained unhappy and brought her complaint to our service where one of our investigators looked into what had happened. After reviewing everything the investigator didn't think Nationwide had treated Miss D unfairly and had given her a reasonable amount of time to provide the bank statements Nationwide wanted.

Miss D disagreed. She said Nationwide treated her without care and in an inhumane manner. She said Nationwide never once considered her health issues or offered her any support. She wants her accounts reopened and £5,000 compensation for the trouble and upset she's been caused by Nationwide's actions.

As no agreement could be reached the matter has come 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 very aware that I've summarised Miss D's complaint points. And I'm not going to respond to every single point made by her. 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 point to be able to reach what I think is a fair outcome.

As the investigator has already explained, banks and financial business in the UK, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. That sometimes means Nationwide need to review, or in some cases go as far as blocking and closing customers' accounts.

Nationwide asked Miss D to provide information about her source of funds and how she was using her accounts to comply with its obligations. Nationwide is entitled and obliged to carry out such checks. This applies to both new and existing customers regardless of how many years a customer may have banked with Nationwide. The terms of Miss D's accounts also permit Nationwide to review an account and ask a customer for information.

I appreciate that Miss D may have felt some anxiety, upset and intrusion about providing Nationwide with detailed information about her finances. Especially as Nationwide blocked her accounts. But as Nationwide requested this information from Miss D to ensure it complies with its legal and regulatory obligations, I can't reasonably say that Nationwide was acting unfairly or unreasonably in asking Miss D for the information that it did.

Miss D complained saying she felt that she should be allowed three months to provide the information. Nationwide explained that this wasn't possible, but it did extend the timeframe Miss D had to provide the information. Overall, Miss D had 24 days to send her bank statements to Nationwide, which I think is more than a reasonable amount of time.

I've also kept in mind that the information Nationwide was asking Miss D to provide is fairly standard information that banks, and other financial businesses are required to have in order to adhere to its responsibilities. It's not in my remit to determine what questions Nationwide should ask its customers to ensure it adheres to its these responsibilities. There's no fixed set of questions or period between each customer update request, and they are usually done to reflect the changes in the economy, technology or tactics employed by criminals to commit financial crime.

I can see that Miss D gave Nationwide some information about the source of the funds in her accounts - she said the money had come from ISA's she'd had with other banks that had matured, and she sent Nationwide a set of bank statements. But Miss D didn't comply with the requests to provide all of the bank statements Nationwide wanted. So, Nationwide blocked Miss D's accounts in November 2024. Miss D says this was unfair.

As Nationwide are obliged by the regulator, The Financial Conduct Authority to carry out ongoing checks to protect accounts from identify theft, fraud, and financial crime, if they don't receive the necessary information that they request to allay those risks, I do not consider blocking Miss D's accounts is a disproportionate measure for Nationwide to take. It's clear to me from looking at all the evidence, which includes listening to the phone calls Miss D had with Nationwide, that Miss D wasn't going to provide Nationwide the information it wanted. So, I don't consider Nationwide treated Miss D unfairly in blocking her accounts.

Miss D says Nationwide didn't consider her health issues and that she was attending hospital appointments at the time, which impacted her ability to provide the information Nationwide had requested. Having looked at the evidence, I don't agree. I say this because I can see that Nationwide asked Miss D what if any adjustments she required on more than one occasion. It also offered to put her in touch with its support team. But she declined.

I've also listened to a phone call Miss D had with Nationwide on 22 November 2024, during which the advisor tried repeatedly to ask Miss D to provide more details about her health issues, so that they could support Miss D and make any adjustments that were suitable. But Miss D declined to engage and refused to provide any information stating that Nationwide were not her doctors. If Miss D wanted additional support from Nationwide I don't think it's unreasonable to expect her to meet Nationwide halfway and give them the information it needed to assess whether it needed to do more to support her. It's not clear to me why Miss D didn't do so. But I can't hold Nationwide responsible for Miss D's reluctance to engage with Nationwide's offers of help.

Account closure

It's generally for banks and financial businesses to decide whether or not they want to provide, or to 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 or financial business must keep customer or require it to compensate a customer who has had their account closed.

Nationwide have relied on the terms and conditions when closing Miss D's accounts. I've reviewed the terms, and they explain that Nationwide can close an account for any reason

by giving two months' notice. In certain circumstances, Nationwide can also close an account without notice, which is what has happened here.

For Nationwide to act fairly here they needed to meet the criteria to apply their terms for immediate closure – and having looked at these terms and all the evidence that Nationwide has provided, including that Miss D failed to provide the information Nationwide requested, I'm satisfied that Nationwide did. And that it was entitled to close Miss D's accounts as it's already done. So, it would not be appropriate for me to ask Nationwide to pay Miss D compensation since I don't find Nationwide acted inappropriately when it closed her accounts. And I won't be asking Nationwide to reopen Miss D's accounts.

In summary, I'm satisfied that Nationwide have treated Miss D fairly when it asked Miss D for information, blocked and then closed her accounts. I think Nationwide's communication was reasonable and it treated Miss D fairly in taking action to discharge its regulatory obligations. I know Miss D will be disappointed with the decision I've reached, but I hope it provides some clarity around why I won't be asking Nationwide to take any further action to resolve Miss D'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 Miss D to accept or reject my decision before 30 September 2025.

Sharon Kerrison
Ombudsman