

The complaint

Mr G complains Nationwide Building Society (Nationwide) unfairly blocked and closed his account without providing a proper explanation. He's also unhappy with how Nationwide responded to his data subject access request (DSAR) and the overall service he received when he contacted Nationwide.

What happened

I am aware that Mr G has made other complaints to our service. This decision will focus on Nationwide's decision to block and close Mr G's account. Mr G's complaint about how Nationwide handled his chargeback claims and the fraud marker it applied to his name will be dealt with separately.

Mr G had a personal current account with Nationwide.

Mr G has explained that he used his account to make online purchases for luxury clothing from a website I will refer to as Y.

In April 2024, Mr G asked Nationwide to raise a number of chargebacks for several payments he made to Y. He said he'd ordered clothing but didn't receive what he'd ordered. And that Y sent him completely different items of clothing, some of which were damaged.

Mr G contacted Y to complain and asked for a refund. After contacting Y to complain, Mr G took photographs of the items he'd received, which included photographs of the bar code labels attached to each item, he then returned the items that Y had delivered to him.

Y reviewed everything and said it wasn't willing to refund Mr G. Y said this was because the items Mr G returned weren't the same items he'd ordered. And it said that the bar code labels on some of the items had been tampered with and some were missing. So it said Mr G wasn't eligible for refunds.

Unhappy with Y's response, Mr G decided to ask Nationwide to raise chargebacks, and he provided Nationwide with paperwork relating to his orders, which included emails he'd had with Y, and photographs of the clothing he'd returned. Mr G told Nationwide he'd complied with the returns processes, he could afford everything he'd bought, and the evidence he submitted showed Y had sent him items he hadn't ordered. So, he didn't understand why he hadn't received his money back.

Nationwide looked at Mr G's chargeback claim. It also decided to review how Mr G was using his account. Nationwide blocked Mr G's account whilst it completed its review. It did this on 16 June 2024. Mr G contacted Nationwide and asked them why it had blocked his account and how long Nationwide were going to take to complete their review. Nationwide didn't give Mr G much information and said it was acting in line with the account terms and conditions. It told Mr G that it would complete its review with 15 days. However, Nationwide didn't complete its review or contact Mr G until 16 July 2024.

Following this Nationwide decided to close Mr G's account immediately and wrote to him in July 2024 to let him know he'd need to make alternative banking arrangements.

Mr G complained to Nationwide. He said he'd not done anything wrong and couldn't understand why Nationwide had decided to close his account. Mr G said when he spoke to Nationwide about not being able to use his account, staff wouldn't explain anything to him, were rude and dismissive. So, he raised a DSAR to try and find out more. But Nationwide didn't give him all the information he wanted.

In response, Nationwide said it hadn't done anything wrong when it had decided to review and close Mr G's account. But it said it had caused delays and taken longer than 15 days to complete its review and to respond to his DSAR. To put things right Nationwide offered Mr G £75 compensation for any trouble and upset this had caused him.

Mr G remained unhappy and brought his complaint to our service. An investigator at our service decided not to uphold Mr G's complaint. In summary they said:

- Nationwide has important legal and regulatory obligations, and it was reasonable for Nationwide to block and close Mr G's account.
- Nationwide is not obliged to provide Mr G with a reason it reviewed and closed his account.
- Mr G should contact Nationwide if he wants to accept the £75 compensation.
- The service Nationwide provided Mr G when he called was what they'd expect.

Mr G wasn't happy with the investigator's findings. He said he hasn't done anything that would warrant Nationwide closing his account and DSAR is a legal right so he should be given the information that sits behind Nationwide's decisions.

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 appreciate Mr G was disappointed by the investigator's opinion and I can see that he has provided a detailed response to what he said about his complaint. I'd like to reassure Mr G that I've considered the whole file and what's he's said. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. No discourtesy is intended by me in taking this approach.

I would add too 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. Some of the information Nationwide has provided is information that we considered should be kept confidential. This means I haven't been able to share a lot of detail with Mr G, but I'd like to reassure him that I have considered everything that he's told us.

I'll start by setting out some context for why Nationwide reviewed Mr G's account. Nationwide 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. They're also required

to carry out ongoing monitoring of new and existing relationships. That sometimes means they need to restrict customers' accounts – either in full or partially while they carry out their review. The terms of the account also permit Nationwide to block an account. This means Nationwide is entitled to block and review an account at any time.

Having looked at all the evidence, I don't believe it was unreasonable in the circumstances for Nationwide to block Mr G's account. I say this because Nationwide had information that suggested Mr G had attempted to raise false chargeback claims. Nationwide has explained that this was its standard procedure, and I accept that it was. I'm satisfied that in doing so Nationwide were complying with its legal and regulatory obligations. So, whilst I accept, the bank's actions caused Mr G inconvenience and upset when it blocked his account, I can't say Nationwide did anything wrong and treated him unfairly in doing so.

I understand of course why Mr G wants to know the exact reasons behind Nationwide's actions. And I can see that Mr G sent numerous emails and to and spoke to staff on the phone asking Nationwide to explain itself on more than one occasion. But Nationwide doesn't disclose to its customers what triggers a review of their accounts. And it's under no obligation to tell Mr G the reasons behind the account review and block, as much as he'd like to know. So, I can't say it's done anything wrong by not giving Mr G this information. And it wouldn't be appropriate for me to require it to do so.

Nationwide's decision to close Mr G's account was made shortly after it reviewed his account. It might be helpful to explain that following a review, banks and financial businesses sometimes decide to close an account. They are entitled to decide for themselves whether to do business or continue doing business with a customer.

Each financial institution has its own criteria and risk assessment for deciding whether to continue providing accounts and providing an account to a customer is a commercial decision that a financial institution is entitled to take. That's because it has the commercial freedom to decide who it wants as a customer. And unless there's a good reason to do so, this service won't usually say that a bank must keep a customer. But they shouldn't decline to continue to provide an account without proper reason, for instance of unfair bias or unlawful discrimination. And they must treat new and existing customers fairly.

Nationwide have relied on the terms and conditions of Mr G's account when closing it. The terms and conditions outline that Nationwide can close a customer's account with two months' notice, and in certain circumstances they can close an account immediately. Here they closed Mr G's account immediately. For Nationwide to act here they needed to meet the criteria to apply their terms for immediate closure – and having looked at these terms and all the evidence I'm satisfied that Nationwide did. So, it was entitled to close the account as it's already done and end its relationship with Mr G.

Moving on to the DSAR, I should explain that it's not the role of our service to decide whether or not a business has breached data protection laws, which includes the content of the information disclosed in response to a DSAR - that's the role of the ICO. I can see that Mr G has already referred matters to the ICO and that they have looked into Mr G's complaint regarding the content of the DSAR. But I can look at whether a business has treated a customer fairly and reasonably when applying those regulations in their course of business.

Mr G made a DSAR to Nationwide in July 2024. From looking at the final response letter Nationwide, accepts there were delays in responding to Mr G's request. My understanding is that, under the relevant regulations, DSAR requests should be responded to without undue delay and at the latest within one month of receiving the request. Nationwide has offered £75

compensation to Mr G for this delay and the delays in reviewing his account. In the circumstances, I think this is fair and reasonable. So, I won't be asking Nationwide to do anything more. I've also borne in mind that Mr G's main concern isn't so much about the delay but about the content of Nationwide's response.

Mr G says he is unhappy that the DSAR response he received from Nationwide didn't include documents he would have wanted to see such as Nationwide's internal investigations. He added that the information provided to him does not answer his question as to why his account was closed.

As I said above, it's not within my remit to look into the content of the DSAR response. But in terms of Nationwide not sharing certain information or documentation with Mr G in general, what I will say is that I don't think Nationwide is under any obligation to tell a customer what triggers a review or what leads to a closure of their account.

Furthermore, banks may have documents which are confidential for a number of reasons. Nationwide said that it wasn't able to share any information which related to its investigation and the account closure due to it being sensitive. I think this is fair and reasonable in the circumstances. As our investigator said this information will have been shared with us and though I appreciate Mr G may find this frustrating I hope it gives him some reassurance that someone independent has also considered it.

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 Mr G to accept or reject my decision before 13 August 2025.

Sharon Kerrison
Ombudsman