

## **The complaint**

Mr and Ms H have complained that Nationwide Building Society (“Nationwide”) didn’t redirect a payment that was being paid into their account, after their account was closed.

## **What happened**

Following Nationwide’s decision to close Mr and Ms H’s account, Mr H asked Nationwide to redirect a payment that was being made by a third party into his Nationwide account, into a new account he’d set up with a new provider.

However, Nationwide explained that Mr H will need to contact the person who makes the payment and provide them with his new bank details.

After Mr and Ms H referred their complaint to this service, one of our investigators assessed the complaint and they didn’t uphold the complaint. In summary, they were satisfied that Nationwide’s response was reasonable and that it was Mr and Ms H’s responsibility to get the payer to amend the payment details, so the money would be paid into their new account. As Mr and Ms H didn’t agree with the investigator’s assessment, the complaint was referred for an ombudsman’s decision.

As Mr and Ms H have a number of complaints about Nationwide with this service, an investigator said that they’d ask Nationwide whether it would be willing to pay £300 compensation to Mr and Ms H as a way to resolve all of their complaints. However, Nationwide didn’t agree to that proposal.

Because a resolution could not be agreed upon, this complaint has been referred to me 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.

Having reviewed everything I don’t uphold this complaint. I will explain why.

Mr and Ms H had £20 being paid into their account on a regular basis by a third party. That payment was set up as a Standing Order. That means the person making the payment has set up a payment instruction with their bank or building society, and given it authority to send a specific amount, to a specific account, on a particular frequency.

When Mr and Ms H complained that Nationwide didn’t ‘redirect’ the standing order, Nationwide said that Mr and Ms H would need to contact the “payee” of this payment to confirm their new banking arrangements. It appears that Nationwide made a typo here, as the payee is the person receiving the money i.e. Mr and Ms H are the payees. But, putting this typo aside, it’s clear that Nationwide meant Mr and Ms H would need to contact the person who was sending them the money, so the money could be sent to their new account.

Given that a Standing Order can only be amended by the account holder who sends the money i.e. the payer, I'm satisfied that what Nationwide said to Mr and Ms H was correct here. If Mr and Ms H wanted the money to be paid into their new account, then it was their responsibility to contact the payer and provide the payer with the new account details so that the standing order can be amended.

Mr and Ms H have explained that the payer has a serious medical condition. So I appreciate that it may've been difficult for Mr and Ms H to contact the payer (or their authorised representative, if they have one) to get the Standing Order changed. But, whilst I recognise that that it may've been very difficult, in the given circumstances, for Mr and Ms H to have got the payer to amend the Standing Order, that is something that is beyond Nationwide's control. So, I can't reasonably say that Nationwide is at fault or has been unreasonable, just because Mr and Ms H were unfortunately unable to do that here.

In their response to the investigator's assessment, Mr and Ms H say that Nationwide acted unfairly by not extending a 'redirection' service to their closed account, to ensure they still received the proceeds of the Standing Order payment. But Nationwide has said it does not offer a Standing Order redirection service when accounts are closed. Instead, Nationwide has explained that when a current account is closed, any payments attempted to be made into the closed account are bounced back to the payer's account. Indeed, that is a common industry practice for payments that are attempted to be paid into closed accounts. So, I don't think that Nationwide was being unfair because it didn't offer Mr and Ms H a redirection service for their account.

The only time when payments made to a closed account may be redirected to another account with another provider (rather than sent back to the payer's account), is when the closed receiving account has been through the current account switching service. Although I think it is important to point out that when switching accounts, it is the new provider's responsibility to manage the switching process. But when Mr and Ms H opened a new account with their new provider, they didn't do so via a switching service.

Mr and Ms H have said that they were unable to use the switching service with their new provider because they have a joint account. I have checked the website of their new provider and it says that joint accounts can be switched through its current account switching service. Mr and Ms H also said that, due to time constraints, and as they were due to travel overseas for an extended period of time, they were unfortunately unable to start the switching process with their new provider. But I understand that Nationwide gave them 90 days' notice that their account would close. So I think they were given a reasonable amount of time to start the switching process, if that was something they wanted to do. Nevertheless, as Nationwide didn't receive a current account switching service instruction from Mr and Ms H's new provider, I can't say it's unreasonable that a redirection service wasn't applied to Mr and Ms H's Nationwide account, once it'd been closed.

Whilst their complaint has been with this service, Mr and Ms H have questioned what happened with the Standing Order after their account was closed. I can see there has been discussion about whether the Standing Order was cancelled by the payer or if it was attempted to be paid, but bounced back to the payer's account. I don't think I need to make a finding on which happened. I say this because Nationwide has provided evidence to show that no further payment was made. So, whether that was because it was cancelled (either by the payer, or the payer's account provider due to it being set up for a closed account) or the payment was attempted and returned unpaid, either way it remains that, if Mr and Ms H want the Standing Order payments to continue to their new account, they need to contact the payer to do so.

Because of these reasons, I'm unable to say that Nationwide has acted unfairly or unreasonably regarding the specific aspects of this complaint. I recognise that Mr and Ms H will be disappointed by my decision. But I hope they understand the reasons why I have not been able to uphold their complaint on this occasion.

### **My final decision**

Because of the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H and Mr H to accept or reject my decision before 18 July 2025.

Thomas White  
**Ombudsman**