

The complaint

Mr M complained about Nationwide Building Society ('Nationwide') blocking a payment and then delaying payment after the block was removed. He was unhappy that Nationwide hadn't communicated effectively, so he'd been unaware payment hadn't been made.

To put things right, Mr M wanted Nationwide to pay him more compensation than the £50 it paid him to reflect admitted poor service on its part.

What happened

Nationwide blocked a payment Mr M attempted to make. After speaking to Mr M, the block was removed. But Nationwide failed to clarify that there could still be a delay before Mr M would be able to make the online payment a second time.

When Mr M complained, Nationwide partly upheld his complaint and paid him £50 by way of apology. Nationwide said it was required to carry out checks before payments were made and it did so here in line with the account terms and conditions. So it didn't agree it had done anything wrong when it blocked the payment. But Nationwide apologised for not letting Mr M know it could take up to 48 hours to access online banking after a fraud block, and that when it explained this to him, the call handler didn't handle the call well.

Mr M didn't feel this was a satisfactory response and so he brought his complaint to us. Our investigator felt that Nationwide had responded fairly and reasonably to Mr M's complaint and it didn't need to take any further action.

Mr M strongly disagreed with our investigator. He said that Nationwide had to have reasonable grounds to suspect fraud and no such grounds existed. Mr M asked for an ombudsman to review his complaint, so it comes 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 can understand why what's happened has been upsetting and frustrating for Mr M. But having thought about everything, I've independently reached the same overall conclusions as our investigator. I'll explain my reasons.

The crux of Mr M's complaint, as I understand it, is that his payment shouldn't have been blocked in the first place. But banks have an obligation to take steps to keep customers' accounts safe and prevent fraud. Sometimes this can mean the bank identifies and blocks legitimate payments that a customer wants to make. Understandably, this can cause distress and inconvenience to a customer – but it doesn't necessarily mean the bank has acted incorrectly or unfairly.

Nationwide has legal and regulatory obligations it must meet and this means it is required to have processes in place to help ensure it takes reasonable steps to look after its

customers' money. Checks undertaken as part of Nationwide's verification process are designed in the interests of Nationwide customers to help keep their money safe and prevent fraudulent activity on their accounts. How businesses choose to operate and their internal processes come under the oversight of the Financial Conduct Authority. It's not up to me to tell Nationwide how it should implement anti-fraud measures. So when Nationwide flagged the payment Mr M tried to send for further checking, I think it was reasonable for Nationwide to prevent the payment leaving his account until it had spoken to him and obtained some further information. Nationwide's terms and conditions, which Mr M would've signed up to in order to be able to use the account, allow Nationwide to do this. So I can't say that Nationwide did anything wrong when it blocked the payment Mr M wanted to make. I am satisfied that Nationwide acted in line with its business terms when it did this.

Nonetheless, Nationwide still needed to act in a fair and reasonable way towards Mr M and I've thought carefully about this.

Nationwide contacted Mr M about the block less than two hours after it was identified for further checks. Nationwide doesn't have a mobile phone number on record for Mr M so it tried (unsuccessfully) to speak to him on his landline and it sent an email. When Mr M made contact, the block was promptly removed. So I am satisfied that Nationwide acted fairly and reasonably in relation to removing the block.

But Nationwide agreed that it could've provided better information to Mr M about the potential for further delay and should've told him that it could still take up to two days before he'd be able to send the payment online. And Nationwide wasn't happy with the way its call handler had managed the call with Mr M. So I've thought carefully about fair redress in this situation.

Our approach to redress is to aim to look at what's fair and reasonable in all the circumstances of a complaint.

I haven't been provided with anything to show that Mr M is out of pocket as a result of any poor service on the part of Nationwide. He was ultimately able to complete the payment transaction and acquire the purchase he wanted to make.

I can't fairly hold Nationwide responsible for further costs he incurred when he paid for some additional work.

And typically, an apology or small monetary award will fairly compensate a one-off incidence of poor service. The £50 payment Nationwide made by way of apology when Mr M first complained seems fair to me in all the circumstances. I am satisfied this amount matches the level of award I would make here had it not already been proposed. It is in line with the amount this service would award in similar cases, and it is fair compensation for Mr M in his particular situation.

I appreciate that Mr M described his complaint and what happened in a great deal more detail than I have summarised here. I've concentrated on what seem to me to be the main complaint points and the issues Mr M was most concerned about when he asked for an ombudsman decision. I've taken into account everything that might impact on the outcome of his complaint and the issue of fair redress.

I appreciate that my decision will be disappointing for Mr M but I hope that setting things out as I've done helps to explain how I've reached my conclusions.

My final decision

My final decision is that I don't uphold Mr M's complaint as I am satisfied that the compensation Nationwide Building Society has already paid Mr M is fair and reasonable.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 28 July 2025.

Susan Webb
Ombudsman