

The complaint

Mr S complains that Nationwide blocked and then closed his account in January 2024. He does not understand why Nationwide decided to do this. He also complains about how Nationwide treated him when his accounts were blocked.

He says Nationwide treated him differently due to his ethnicity and this whole experience has made him feel humiliated, stressed and angry. He wants an explanation for why his account was closed, an acknowledgement of failings and for his account to be reinstated.

What happened

On 19 January 2024 Mr S discovered that his account had been blocked after calling Nationwide to find out why his debit card hadn't been accepted when he attempted to pay for his food shopping. He says that the Nationwide call handler told him that his account had been blocked by their fraud and scam team whilst they undertook an investigation.

Mr S says he then called Nationwide's fraud and scam team and explained that he needed to access the money in his account in order to buy food for his family. Mr S says Nationwide told him he could withdraw his salary from his account at a Nationwide branch.

Mr S visited a Nationwide branch that same day and received his money from his account, although he explains that he was initially told he couldn't access his funds and had to wait for nearly an hour before he was given his money.

Later that same day Mr S says he received a text message from Nationwide advising him they had decided to cover the refunds he had requested for payments he had made on 31 July 2023, which totalled £528.

Nationwide also emailed Mr S on 19 January 2024 to tell him that, after a review they had decided to close his account, as he no longer met their eligibility criteria. They gave him 90 days' notice but explained his account would be blocked during that time to prevent any further fraud from taking place.

Mr S emailed Nationwide on 21 January 2024 to complain. He also visited a Nationwide branch again on 23 January 2024 to withdraw further funds from his account. Nationwide said he called one of their specialist teams from the branch and they advised their branch colleague that he could withdraw funds. They say this was resolved in around 5 minutes.

Nationwide responded to Mr S' complaint on 25 January 2024, accepting that he had to wait for too long at the branch on 19 January to get his money and they offered £75 and apologised.

However, Nationwide said they had acted correctly when closing his account. They explained they couldn't give him any further detail about their decision to close his account other than to say it related to security concerns and that their terms and conditions allow them to close his account.

Nationwide's response also outlined that although his account would be blocked during the 90 day closure window they had given, they would honour any direct debits that were due to be paid, and that he could pay in money to cover those payments. They also explained that they didn't find any evidence of ethnic victimisation during his branch visit on 23 January 2024.

Mr S was unhappy with Nationwide's response to his complaint and so complained to our service on 31 January 2024.

Our investigator initially upheld Mr S' complaint, as Nationwide had not provided them with a full response to the issues under investigation and so they had to reach their view on the limited information they had received. However, Nationwide responded with further information in April 2024, and after considering that further evidence our investigator said that Nationwide had followed their terms and conditions and had acted in line with their legal and regulatory obligations.

Mr S disagreed with the investigator's view and so he asked for an Ombudsman to consider his complaint.

After considering all of the evidence made available to me, I reached a provisional decision to uphold Mr S's complaint.

I acknowledged that Nationwide, as with all banks, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations when providing account services to customers. To comply with their legal and regulatory obligations, financial businesses such as Nationwide will review their customers' accounts, which can either be periodic or event driven. I found that Nationwide acted reasonably when deciding to review Mr S' account.

I explained that it's generally for financial institutions to decide whether they want to provide, or to continue to provide, banking facilities to any particular customer. However, a bank should still make sure it hasn't exercised its discretion for plainly unfair reasons, or that it was due to a mistake, and it should still comply with its terms and conditions.

I found that Nationwide hadn't acted in line with Regulation 26(2) of the Payment Account Regulations (2015) or the Flex Basic Terms and Conditions when it decided to close Mr S' Flex Basic Account.

I also found that Nationwide did not have sufficient grounds to restrict Mr S' use of his account during the 90 day notice period.

I also agreed that Nationwide did not treat Mr S fairly when he visited their branch on 19 January 2024, as he was made to wait for almost an hour before they allowed him access to his funds. However I was satisfied that Nationwide had acknowledged this was too long, apologised and have paid Mr S £75 for the distress this caused him, which I considered resolved that issue.

In response to my provisional decision, Mr S accepted my findings, but asked that he also be awarded any payments he would have been entitled to under Nationwide's Fairer Share Payment scheme, had his account not been closed.

Nationwide responded and provided evidence that Mr S had opened a current account with another financial institution in April 2023 and that this was still open at the time they decided to close Mr S' account. They said that as such they had complied with the Payment Account Regulations (2015).

As a result, I reached a new decision. I upheld the complaint as I found that Nationwide did not have sufficient grounds to restrict Mr S's account for the 90 days notice period they gave him. I did however find that Nationwide closed the account fairly taking into account the Payment Account Regulations.

In response to my second provisional decision I received further comments and evidence from Mr S, which I have carefully considered alongside the evidence I have previously received. Nationwide accepted by provisional decision. As such I have now reached 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.

I've decided to uphold Mr S' complaint. I will explain the reasons for my decision below.

The terms and conditions that applied to Mr S' account set out that Nationwide could close his account either by giving not less than two months' notice, or in some circumstances it could close the account immediately.

As Mr S' Flex Basic account with Nationwide is a basic bank account, Regulation 26(2) of the Payment Account Regulations (2015) applies. This says a designated credit institution may only close a basic bank account where at least one of several specific conditions is met. One of those conditions is where the consumer has access to another payment account in the United Kingdom which allows the consumer to make use of the services listed in regulation 19(1); and that account was opened after the payment account with basic features.

In response to my first provisional decision of 12 March 2025, Nationwide provided evidence that Mr S had opened a current account with another financial institution in April 2023 and that this was still open at the time they decided to close Mr S' account.

In response to my second provisional decision, Mr S confirmed that he had applied to open a current account with another financial institution, but he said that this was refused and never opened. He sent us an email outlining the wording of a text message he says he received from the other financial institution. I also requested the original text message he received, which Mr S supplied. Both explain the other financial institution had decided to close his account that he had recently applied for and asked him to destroy any letters, cards or PINs he had received.

I have carefully considered Mr S's explanation around his opening of another current account and the evidence he has supplied to support that explanation.

The text message Mr S sent to me is dated 2 June, but does not outline the year it was sent. The evidence Nationwide has sent me shows Mr S's account with another financial institution was opened on 13 April 2023 and remains open, whilst Mr S's evidence indicates his account was closed very shortly after he applied for it. As such the date of the text message as 2 June does not align with Mr S's explanation. I have also seen a discrepancy in the wording that Mr S supplied in his original email to me and the subsequent screenshot of the text message he says he received.

Having carefully weighed the evidence, I consider Nationwide has provided the more compelling evidence of what happened and as such I consider they have complied with their

terms and conditions and the Payment Account Regulations (2015) when deciding to close Mr S' account.

As set out in the Flex Basic terms and conditions, Nationwide gave Mr S 90 days written notice of his account closure. However, they also restricted the use of his account during that period, which meant he did not have full access to his account to meet his day-to-day banking needs during the notice period. Nationwide explained they would honour any direct debits that were due on his account and that he could pay in money to cover them, but Mr S had to visit a Nationwide branch on three occasions to withdraw his funds in person.

The terms and conditions for Mr S' Flex Basic account say that Nationwide can suspend or cancel a customer's right to use their card for a number of reasons. Nationwide provided an explanation and evidence relating to this in their response to my first provisional decision, though this was information they had already provided to me and which I had already considered.

Having considered the explanations and evidence Nationwide have provided, as well as the information Mr S has given us, I have found insufficient evidence to indicate Nationwide's actions in restricting Mr S' use of his account during the 90 day notice period met the criteria set out in their terms and conditions.

Mr S has also said he feels Nationwide's decision to close his account was due to his ethnicity. Firstly, I must point out that only a court of law can rule on whether a complainant has been discriminated against in terms of a breach of the Equality Act 2010. But I'm required to consider a number of factors in order to decide Mr S' complaint in accordance with what I think is fair and reasonable in all the circumstances of this complaint. Part of this has meant considering the Equality Act 2010 as relevant law.

Having done so, while I appreciate Mr S says Nationwide's decision related to his ethnicity, I have to consider if the evidence I have seen indicates this is the reason they treated Mr S as they did. Having looked at all the evidence, whilst I consider Nationwide were wrong to restrict Mr S' account, I'm not persuaded based on what I've seen that the decision to close his account was because of Mr S' ethnicity.

I agree that Nationwide did not treat Mr S fairly when he visited their branch on 19 January 2024, as he was made to wait for almost an hour before they allowed him access to his funds. I am satisfied that Nationwide have acknowledged this was too long, apologised and have paid Mr S £75 for the distress this caused him. I consider Nationwide have resolved that issue and I have not seen any evidence to indicate that a higher amount for Mr S' experience on that day would be appropriate.

Mr S has asked to be paid any money he would have been eligible for under Nationwide's Fairer Share Payment Scheme. I have considered the terms and conditions of this scheme and the exclusions that apply. I have seen that Mr S was not eligible for a payment under that scheme, as Nationwide had written to him to tell him they were closing his account and he no longer had a Nationwide account that a payment could be made to.

I still consider Mr S suffered inconvenience and frustration as a result of Nationwide's decision to restrict his account, which meant he didn't have full access to his account and he was required to travel to branch on multiple occasions to withdraw his money. As such I find Nationwide should pay Mr S £100.

Putting things right

In view of the above I require Nationwide to:

Apologise to Mr S for restricting access to his account during the notice period

Pay Mr S £100 for the distress and inconvenience he experienced as a result of Nationwide restricting his account during the 90 day notice period. I consider Mr S experienced more than minimal inconvenience in having to attend branch on multiple occasions to access his funds.

Nationwide have already confirmed their agreement with my decision in their response to my provisional decision dated 9 June 2025. As such Nationwide should confirm that they have taken these actions.

My final decision

My final decision is that I uphold Mr S's complaint

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

Matthew Warrington
Ombudsman