DRN-5724288

The complaint

Mr N complains about the service provided by Nationwide Building Society ('the Society') when it blocked a payment he wanted to make and applied account restrictions which will remain in place until he completes further security checks.

What happened

When Mr N tried to transfer an amount from his account to a third-party on 12 March 2025, the Society declined the payment and suspended his online banking. Mr N phoned the Society about this and objected to being required to answer what he felt were irrelevant questions about the transaction he wanted to make, before the Society would approve the payment.

The Society didn't uphold Mr N's complaint. It said its fraud team had been following correct process and its actions were in line with the account terms and conditions. The Society said it had terminated a call with Mr N only after giving due warning that it couldn't be continued if he wasn't willing to answer questions he was being asked.

When Mr N brought his complaint to us, our investigator didn't consider that the Society did anything wrong. Mr N strongly disagreed with our investigator. He mainly said he'd told the Society to cancel the transaction as he'd made a cash withdrawal instead after the fraud team blocked the payment he wanted to send. He felt there was no need for further questioning and account restrictions weren't justifiable in these circumstances. Mr N 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.

Having thought about everything, I've independently reached the same overall conclusions as our investigator. I'll explain my reasons.

I've briefly summarised and expressed in my own words what seem to me to be Mr N's main concerns and my focus is on what I think are the key issues here. Our rules allow me to do this and this approach simply reflects the informal nature of our service as a free alternative to the courts.

How businesses choose to operate and their internal processes come under the oversight of the regulator - the Financial Conduct Authority (FCA). So it's not up to me to tell the Society what measures it should (or shouldn't) have in place to counter fraud or scams or what questions it should ask customers when carrying out its security processes. Mr N was however entitled to expect that the Society would act towards him in a fair and reasonable way. So this is the focus of my decision.

I appreciate that Mr N feels strongly that the Society had no good reason for requesting the information he didn't want to provide. But the Society can't simply rely on Mr N approving the proposed payment. The Society has legal and regulatory obligations it must follow requiring it to set up and operate processes to keep customers' money safe. The Society has explained it has fraud prevention measures in place for this purpose and it identified the need for a check before Mr N's payment could be authorised. The relevant account terms and conditions, which Mr N would've agreed to in order to be able to use his account, allowed the Society to refuse his payment instruction and apply restrictions to his account in these circumstances.

So I don't find that the Society did anything wrong when it blocked the transfer Mr N wanted to make and restricted his account access.

The fact that Mr N had been through an initial authentication process when attempting the payment and he'd answered some questions makes no difference here. A payment to a fraudster or scammer cannot necessarily be recovered. So I don't think it's unreasonable for the Society to want to clarify some more specific details of the transaction he wanted to make – particularly given Mr N's reluctance to engage with its security process (which can itself sometimes be a hallmark of a potential scam) and bearing in mind that the amount here involved a four-figure amount. I understand Mr N found this intrusive, but the Society was entitled to enquire into the details of the transaction to help guard against a potential scamming attempt on Mr N. I think the sort of questions asked would be raised with any customer who wanted to undertake a similar transaction. So, I don't think the Society acted unfairly or unreasonably when it took the steps it did to verify what it needed to know about Mr N's transfer request and protect the money in his account.

Despite what Mr N has said about the lack of any continuing justification for security checks once he'd cancelled the transaction, I think ongoing account restrictions were fair and reasonable. The Society had reasonable grounds for concern about Mr N being potentially the victim of a scam and he'd circumvented the account block (if I've understood correctly) by taking out cash from his account. So I can understand why the Society felt it necessary to continue to block his account access until it could be satisfied that Mr N's money wasn't at risk – and it was fair and reasonable to do so in this situation.

I recognise that Mr N found all this frustrating. But to uphold this complaint I would need to be able to fairly say that the Society did something wrong or acted in a way that wasn't fair and reasonable – and I haven't seen enough here to do so. So I won't be asking the Society to do anything more.

Mr N has raised several different complaint points over the course of this matter and I acknowledge that he feels very strongly about his complaint. If I have not referred to each point he's raised it's because I have nothing further I can usefully add to what's been said already. I have concentrated on what I consider to be the main points that affect the outcome of his complaint. I appreciate that my decision will be disappointing for Mr N 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 N's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 9 September 2025.

Susan Webb
Ombudsman