

The complaint

Mr T complains about the actions taken by Nationwide Building Society ('the Society') when it blocked a payment he wanted to make until he completed further security checks.

What happened

Mr T held a FlexAccount with Nationwide Building Society. In June 2025, the Society, blocked an attempted payment and suspended Mr T's debit card and online banking when he tried to transfer an amount via online banking from his FlexAccount to a third-party. Mr T objected to having to phone the Society about this and answer questions about the transaction and make a branch visit before the Society approved the payment.

When Mr T complained to the Society about what happened, it didn't uphold his complaint. The Society told Mr T that it was required to carry out checks to help keep his account safe and said it had acted in line with the account terms and conditions.

Mr T brought his complaint to us. Our investigator didn't think that the Society had done anything wrong and it was reasonable for the Society to have flagged the payment for further checks and request the information it had asked Mr T to provide.

Mr T disagreed with the investigator's view and asked for an ombudsman to review his complaint. So it has been passed 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.

This includes listening to call recordings provided.

Having done so, I've decided not to uphold Mr T's complaint. I'll explain why.

I appreciate that Mr T feels strongly that the Society wasn't entitled to know particulars about the payee or ask him for information he felt shouldn't have concerned the Society. He also mentioned that there's a Supreme Court ruling that says banks are legally required to follow customers' instructions and he's concerned that the investigator doesn't seem to have taken this into account.

In coming to my decision, I've considered regulatory requirements and best industry practice as well as relevant case law. Whilst the Society should carry out customers' lawful instructions, it must balance this against its obligation to take steps to keep customers' accounts safe and prevent fraudulent transactions.

Sometimes this can mean a financial business 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 financial business has acted incorrectly or unfairly. Checks undertaken as part of the Society's security process are designed in the interests of customers to help keep their money safe and prevent fraudulent activity on their accounts.

Mr T said he was trying to send money urgently required by a friend in need, so I can appreciate it was especially frustrating when the transaction was blocked. But the Society has to have processes set up to comply with legal and regulatory obligations designed to keep customers' money safe. And how the Society chooses to operate and its 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 how it should verify payments.

The Society's fraud prevention system identified the need for a check before Mr T's payment could be authorised and restricted his account access until he completed further verification. This meant that the Society couldn't simply rely on Mr T approving the proposed payment – even when it was to a person Mr T told the Society he'd known for some time who needed his financial help.

The relevant account terms and conditions, which Mr T would've agreed to in order to be able to use his account, allowed the Society to take this action in these circumstances. And as Mr T was making a four-figure payment to a new payee, and he was reluctant to engage with the Society's fraud team over the phone, I don't think it was unreasonable for the Society to continue to decline the payment.

A payment to a fraudster or scammer cannot necessarily be recovered and in my view the Society had reasonable grounds to be concerned that the attempted transaction had some of the hallmarks of a potential scam, putting Mr T's money at risk. As mentioned already, it's up to the Society to decide how it meets its regulatory obligations and I can't say that it acted unfairly or unreasonably when it asked Mr T for information it said it needed to meet these obligations.

When Mr T attended a branch and provided further information which satisfied the Society, he successfully made the payment whilst in the branch via online banking. So I am satisfied that the account restrictions were lifted promptly just as soon as the Society no longer had reason to continue them.

I recognise that Mr T found all this frustrating. But in order 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. It follows that I can't award the compensation Mr T would like me to. And I won't be asking the Society to do anything more.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 23 September 2025.

Susan Webb
Ombudsman