

The complaint

Ms Q is unhappy that Nationwide Building Society ('the Society') allowed the other joint account holder to close two joint accounts without her knowledge or agreement, after she'd taken steps to prevent this being able to happen.

The Society admitted it made a mistake and that what happened shouldn't have occurred. It offered Ms Q compensation for distress and inconvenience but didn't agree it was responsible for refunding the money that had been in the closed accounts.

In her capacity as one of the joint account holders, Ms Q is an eligible complainant under the rules I must apply and a person entitled to bring this complaint.

What happened

Ms Q and the other account holder opened two beneficiary Smart Ltd Access (Adult) accounts which they were able to operate jointly. Under the account terms and conditions, these accounts would convert to CashBuilder accounts when the beneficiaries reached the age of 18 years and 6 months but remain at all times in the control of the adult joint account holders.

The Society announced changes to account terms that would in future allow either joint account holder to operate the account (on their own and without the other joint account holder). At Ms Q's request, the Society applied 'no withdrawals' markers to both accounts.

The Society acknowledged that branch staff made a mistake when the markers on both these accounts that should have prevented the other joint account holder being able to act unilaterally were overlooked. As a result, the other joint account holder was able to transfer monies out and close the accounts without Ms Q's knowledge or consent.

When Ms Q complained, the Society explained the background leading up to what happened and offered her £500 compensation by way of apology for its poor service. But it said that any dispute about the funds was a civil matter.

Ms Q didn't feel this was a satisfactory response and so she brought her complaint to us. Our investigator thought that the Society's offer was fair in these circumstances to resolve the complaint. She said that in cases involving joint accounts, it wasn't within our remit to decide which party was entitled to the funds, so we couldn't fairly expect the Society to repay these.

Ms Q disagreed and asked for an ombudsman to review her complaint, so it came 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 the call recordings provided.

I can understand why what's happened has been so very upsetting and frustrating for Ms Q. But having thought about everything, I've independently reached the same overall conclusions as our investigator. I'll explain my reasons.

As I understand it, Ms Q doesn't feel that the Society has properly appreciated or addressed the impact of its error. Her view is that, having admitted its mistake, the Society should be responsible for restoring the funds in the accounts. She feels that the focus of our investigation has failed to address her main concerns and she put things this way: *'...This is not a dispute of ownership of funds. This is about Nationwide not following the data protection and my rights. Once again, this matter does not pertain the other account holder closing accounts...My complaint is regarding Nationwide and their actions and the lack of their safeguarding...'*

We consider the evidence presented by the parties and reach an independent, fair and reasonable decision based on the facts of the case and the evidence provided by both sides. And it's part of my role to identify what I think are the key issues here. This means that I may not address every single point or question raised and I've summarised much of what Ms Q has said in my own words. But it doesn't mean I haven't considered all the evidence and what's been said – it just means I haven't needed to specifically refer to everything in the same detail as Ms Q in order to reach a decision and my focus will be on the main points that affect the outcome of her complaint.

Thinking first about Ms Q's concerns regarding data protection, the Information Commissioner's Office ('ICO') is the proper forum to address these aspects of her complaint. Here's a link to the ICO website: <https://ico.org.uk/>

I can consider whether the Society acted in a fair and reasonable manner towards Ms Q overall – including whether it has done enough to put things right.

As the Society has upheld the complaint, and admitted its mistake here, I don't need to say more about what happened. I will concentrate on the question of fair redress. My starting point is to think about the impact on Ms Q of what happened.

These were beneficiary accounts and the funds belonged to the beneficiaries. Ms Q doesn't know where those funds are now or who might have the benefit of them. If the beneficiaries are out of pocket, they may want to seek legal advice. It's already been suggested that Ms Q could seek legal advice herself if she so wished. But from the point of view of this Service, as the other joint account holder was also a person named on the accounts, I can't fairly direct the Society to refund the money moved from the accounts at the other joint account holder's direction - even if the Society made a mistake in this regard. And I haven't been provided with anything to show that Ms Q suffered any monetary loss herself when the accounts were closed that it would be fair to direct the Society to repay her.

But fair compensation isn't just about not being worse off in money terms – it needs to properly reflect the full impact on Ms Q of the Society's service failings. I've taken into account that what happened was part of a long-running and acrimonious wider dispute involving the joint account holders. Ms Q had taken steps herself to protect the funds in the accounts. She had double-checked with the Society who assured her the money was safe. So it's completely understandable that Ms Q would be left feeling angry and let down by the Society.

The £500 payment the Society has offered by way of apology seems fair to me in all the circumstances. I am satisfied this amount matches the level of award I would make in these

circumstances 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 Ms Q in her particular situation.

I appreciate this isn't the remedy Ms Q is looking for, but I hope that setting things out as I've done helps her understand how I've reached my decision.

Putting things right

The Society should pay Ms Q £500 compensation, as it has already offered to do, to reflect the impact on her of its poor service.

My final decision

My final decision is that I uphold this complaint and direct Nationwide Building Society to take the steps set out to put things right for Ms Q.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms Q to accept or reject my decision before 10 September 2025.

Susan Webb
Ombudsman