

The complaint

Mrs T complained that Nationwide Building Society's decision to stop offering passbook accounts was unreasonable and impacted unfairly on vulnerable customers like herself.

Mrs T's representative brings the complaint on her behalf.

What happened

Mrs T complained when Nationwide stopped offering passbook accounts and required customers with passbooks to open new card-based accounts. Despite Nationwide making some special arrangements to help her, Mrs T faced difficulties answering questions she was asked as part of the changeover process and appeared not to fully understand what was happening.

Nationwide didn't uphold her complaint. It was sympathetic but explained it was making the changes in order to provide customers with better products and services and that her account would stay active, although she wouldn't any longer be able to use the passbook. Nationwide also suggested that if getting to a branch was problematic for Mrs T, it might be worth her setting up a Power of Attorney ('POA') so her representative could deal with this on her behalf.

Mrs T didn't feel this resolved her complaint and so she brought her complaint to us and one of our investigators looked into what happened. The investigator didn't uphold Mrs T's complaint. They were satisfied that Nationwide could choose what services to offer and felt it had given Mrs T due notice and managed the change process in a fair and reasonable way, making some exceptions for her to accommodate her particular situation.

Mrs T disagreed, mainly saying that the changes were for Nationwide's benefit and not its customers and there were clear security issues associated with card-based accounts, which would put Mrs T's money potentially at risk.

The complaint has come to me for 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 carried out an independent review and having done so, I've reached the same conclusion as our investigator.

In coming to my decision, I've taken into account that Mrs T has particular reasons to be concerned about changes to her banking arrangements. She is elderly and getting out and about isn't easy for her. She has a condition that can cause memory lapses or make it difficult sometimes to follow conversations. So I can understand why having to open a new account and go through the necessary formalities this involves is unwelcome and impractical for her. But in order to uphold this complaint, I would have to find that Nationwide did something wrong or that it treated Mrs T in a way that wasn't fair and reasonable. So that's how I've approached my decision.

As I understand things, one of Mrs T's main complaints to Nationwide was that it won't simply swap her account from a passbook to a card-based account. This means Mrs T is required to go through all the regulatory requirements for opening a new account. She objects to this on the basis that she's a long-standing existing customer and all she wants to do is pay cheques into her account. She's said she doesn't plan to make withdrawals (and accepts in that event she would go to a branch anyway, as she would with her passbook). She feels she's not being treated fairly and that what's happened impacts unfairly on older people who are most likely to have passbooks.

Other concerns raised during the course of correspondence relate to security issues to do with the lack of any necessity for a Personal Identification Number (PIN) for branch withdrawals and the risks to data security if a card is lost or stolen, the lack of space on the card for a proper sized signature (unlike a passbook) and account information being sent through the post. This is summed up by Mrs T's representative as follows:

'Not using a PIN to withdraw cash at a branch is a security issue leading to fraud and allowing access to personal information

Sending out monthly statements has a cost (rather than updating a passbook) and post is not the most reliable system for receiving documents, particularly where banks want to go paperless.

The introduction of a branch card in its current form is not a benefit to customers and will not reduce fraud.'

Broadly speaking, it's up to Nationwide to choose what services to offer customers and how it will do this. The ways financial 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 Nationwide it shouldn't change the services it offers or how it should meet its regulatory obligations.

My role is to consider what's fair and reasonable in all the individual circumstances of this complaint. In doing so, I note that Mrs T was given advance notice of the planned changes by Nationwide and advised to switch to a new savings account. She was made aware that this would replace the savings passbook with a new 'Savings Wallet'. Nationwide said this was similar in size and feel to her old passbook and maintained key features of the passbook account but also included a cash card to make transacting in branch easier.

Mrs T was offered extra help with the changeover process. Nationwide enacted its exceptions process and tried to assist Mrs T to make the necessary account changes over the phone instead of requiring her to go into a branch to do this. That was unsuccessful however because Nationwide had concerns about whether Mrs T was able to properly engage in the process over the phone. From what I've seen, I think Nationwide's concerns about this were reasonable. It was fundamental to Mrs T's relationship with Nationwide that she understood what she was agreeing to – and it wasn't clear to Nationwide that she did.

Nationwide offered to try this call again at a better time if Mrs T so wished. I wouldn't reasonably expect Nationwide to have arranged a home visit for this purpose when other reasonable options are open to Mrs T. And her representative has provided information suggesting that Mrs T could make a branch visit if she needed to. So it seems clear that this is potentially an option that's open to her.

Nationwide suggested the POA option as one way to assist Mrs T going forward and that is ultimately a relevant suggestion in the circumstances here. Whether this is possible depends on Mrs T having necessary capacity to set up a POA. But it's a useful option for anyone who might need to delegate responsibility for managing their financial affairs – perhaps because getting to a branch is inconvenient or managing phone calls is difficult, as seems to be the case for Mrs T. So I think it was reasonable for Nationwide to suggest this, even if it's not Mrs T's representative's preference.

Nationwide has explained that although passbooks can no longer be used, the account itself remains active and cheques, such as premium bond winnings, can still be paid in – which appears to have been a particular concern. Nationwide has said that when Mrs T switches over to one of the new savings wallet accounts, her representative will just need to provide the account details in order to still be able to pay in cheques - no card or passbook will be required. So I hope this reassures Mrs T that for all practical purposes she will be able to continue using her account broadly in the way she does now – and in the way she's said she'd like to be able to continue using it.

Mrs T has expressed concern about the fact that account statements will be issued – but as explained above, it's up to Nationwide to decide how to administer the account. Regular statements will enable Mrs T to keep track of deposits and see the money in her account – without the necessity of having to arrange for her passbook to be updated. So it's not clear this would be to Mrs T's detriment.

I consider that sending out information in the post is fair and reasonable to keep account holders updated. Unless they offer a paperless option (which would be for individual banks and building societies to decide) it's generally how they keep in touch with their account-holders.

I appreciate that Mrs T's representative is particularly concerned that not being required to use a PIN to withdraw cash in branch increases the risk of fraud. And some of his concerns are around card-based accounts generally – which he's referred to the FCA and the Information Commissioner's Office (ICO). I can't comment specifically on matters that would fall into their remit and as regulators, their roles are different to this Service. In my decision, I'm concentrating on the complaint issues raised on Mrs T's behalf.

Nationwide has said it can't go into detail about its security measures when using the card in branch – but I wouldn't reasonably expect Nationwide to tell Mrs T's representative or us about its internal security protocols which are confidential, so as to avoid compromising account security or putting account-holders' money at risk.

Nationwide has offered assurances that it will always take every necessary step when a member asks to make a withdrawal to ensure this is for the correct member, which seems reasonable to me.

It's my understanding that Mrs T hasn't applied for a card – and, from what's been said, that she doesn't plan to make cash withdrawals, only pay deposits into the account. So this isn't something that's likely to affect her whilst Nationwide says she can continue using the account the same way she has been.

To sum up, Nationwide was entitled to make these changes and I'd expect it to follow its approved processes, set up to comply with its regulatory obligations, for customers wanting to move to a new account.

Nationwide appreciated that the process involved in replacing passbook accounts was challenging for Mrs T – and reasonable efforts were made to accommodate her particular situation and preferences. Nationwide has confirmed that Mrs T's representative will still be able to pay-in cheques to Mrs T's account even after the switch in the same way that's worked up until now. There's been no change to the way a third-party deposits a cheque. As long as Mrs T's representative has the account number the cheque needs to be deposited into, he can visit the branch where this will be done over the counter and he will be provided with a receipt - no card or passbook is required.

And if and when Mrs T switches over her account to one of Nationwide's new savings wallet accounts, her representative will still just need to provide the account details to the agent in branch, when presenting the cheque to them for depositing into the account. Mrs T doesn't require a card or PIN if she doesn't want one and doesn't need one for the purposes she wants to use the account for.

Looking to the future, Mrs T always has the option of looking for a product with features that she would feel more comfortable using. She would still need to complete the necessary formalities for opening a new account – but that's part of any bank or building societies' essential compliance activity.

Thinking about all of this, I haven't seen enough to be able to uphold this complaint.

I hope that setting things out as I've done helps explain how I've reached my conclusions and even though this isn't the outcome Mrs T hoped for, she will at least feel that the Financial Ombudsman Service has fully considered the complaint.

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 Mrs T to accept or reject my decision before 27 October 2025.

Susan Webb
Ombudsman