

## **The complaint**

Mr B complains Nationwide Building Society unfairly blocked and then closed his accounts.

## **What happened**

The facts of the complaint are well known to both parties, so I will only provide a summary of the key points.

Mr B held multiple accounts with Nationwide, and this included a current account and savings accounts.

Nationwide reviewed Mr B's holdings and made the decision to end its relationship with Mr B. An immediate notice to close the accounts was issued on 18 February 2025. Mr B raised a formal complaint explaining he had provided information and had been treated unfairly. Nationwide issued a final response letter on 4 April 2025 explaining it had acted in line with its regulatory duties and the account terms.

Mr B remained unhappy and referred his complaint to our service. Mr B says he incurred default charges on missed direct debits, and he spent hours trying to rearrange his financial affairs. The entire matter has caused him distress and anxiety. In order to put things right he would like a full explanation from Nationwide for the action it took and to cover the costs he has incurred.

An Investigator reviewed his concerns, and initially Mr B's complaint was upheld as Nationwide hadn't provided sufficient evidence to show it had reviewed and closed Mr B's accounts in a timely manner. However, following this review Nationwide provided further evidence and the Investigator issued new findings. In summary they explained:

- Nationwide was entitled to close Mr B's accounts without providing a reason to him.
- Nationwide has provided evidence in confidence about why it took this action.
- Mr B's accounts were closed with immediate effect, but the terms and conditions allow Nationwide to do this in specific circumstances.
- There were no unreasonable delays in Nationwide's review.

Mr B remained unhappy and maintained Nationwide had acted unfairly by closing his accounts without proper notice or reasons. The case has been referred to me – an ombudsman – 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 appreciate Mr B was disappointed by the Investigator's opinion. I'd like to reassure Mr B that I've considered the whole file and what he's said. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I

think is a fair and reasonable outcome. No discourtesy is intended by me in taking this approach. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts.

I'll start by setting out some context for the review of Mr B's accounts. UK legislation places extensive obligations on regulated financial businesses. Financial institutions must establish the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. This applies to both new and existing relationships. These obligations override all other obligations. In Mr B's case I'm satisfied Nationwide was complying with these obligations when it reviewed Mr B's accounts.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Nationwide has provided is information that we considered should be kept confidential. This means I haven't been able to share a lot of detail with Mr B, but I'd like to reassure him that I have considered everything that he's told us and will share what I can with him.

Mr B's account terms and conditions allow Nationwide to block the accounts in specific circumstances. I understand Mr B's frustration with the block, and I don't doubt it would've had a detrimental impact on him, especially as he appears to have used the current account. But I consider the block to be necessary to ensure Nationwide Building Society was able to comply with its regulatory requirements.

Whilst the accounts were blocked, I can see Nationwide asked Mr B for details regarding his account and the activity on it. Nationwide asked Mr B about specific transactions and for general information – such as payslips and other income details. Nationwide's queries were to establish the source of funds in the accounts and Mr B's entitlement to them. These enquiries are in keeping with its legal and regulatory duties, and I consider them to be fair.

Blocking an account can have a serious impact on customers, so there is an expectation reviews are carried out promptly. In Mr B's case I think Nationwide conducted a detailed review of his accounts and provided him with ample opportunity to provide information. I can see Mr B co-operated with the review and promptly provided responses to the queries. I understand the Investigator initially found the review took longer than it ought to have. Looking at the timeline of events again, I can't see that Nationwide caused any unnecessary delays during its review. The specific details of what action Nationwide took during this time is confidential, but I can assure Mr B that I consider the time it took to be reasonable in the circumstances.

I can see whilst the block was in place Mr B contacted Nationwide a number of times for an update on his account. During the review Nationwide was only able to share limited information with Mr B, and this is generally the approach businesses are entitled take when conducting a review. So although I appreciate Mr B's concern with the lack of updates – I don't consider Nationwide's actions to be unreasonable.

Nationwide's review of Mr B's account led to its ultimate decision to close the accounts. I understand Mr B feels he is an average customer and deserves better treatment – and that he should be given reasons for the actions Nationwide took. Mr B has referenced a police investigation into his employer and says Nationwide should've been upfront with him if this was the cause of the review and account closure. I understand Mr B's frustration but Nationwide isn't under a duty to give Mr B reasons for its actions – and I would not be appropriate for me to disclose its reasons to Mr B as they have been shared with me in confidence.

Ultimately Nationwide is entitled to set their own policies and part of that will form their risk criteria. It is not in my remit to say what policies or risk appetite Nationwide should have in place. I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly. As long as they reach their decisions fairly, it doesn't breach law or regulations and is in keeping with the terms and conditions of the account, then this service won't usually intervene. They shouldn't decline to continue to provide banking services without proper reason, for instance of unfair bias or unlawful discrimination. And they must treat new and existing customers fairly. Given its regulatory and legal obligations, I'm satisfied Nationwide's decision was made fairly.

The terms and conditions of Mr B's accounts set out that the bank can close the accounts immediately. In this case Nationwide blocked Mr B's account, so I consider this to be akin to an immediate closure. For Nationwide to act fairly here they needed to meet the criteria to apply their terms for immediate closure – and having looked at these terms and all the evidence that the bank has provided, I'm satisfied that Nationwide did.

I can see Mr B has highlighted the issues he had with direct debits and making alternative arrangements. I understand this would've had an impact on Mr B and caused a level of inconvenience. However, as highlighted above I am satisfied Mr B's accounts were restricted and closed appropriately. So I don't think Nationwide ought to compensate Mr B for the issues he says he experienced as a result of its actions.

I'm sorry this isn't the outcome Mr B hoped for and I know he will be disappointed with the decision I've reached, but I hope it provides some clarity around why I won't be asking Nationwide to take any further action or compensate Mr B.

### **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 B to accept or reject my decision before 11 March 2026.

Chandni Green  
**Ombudsman**