

The complaint

Mrs F is unhappy Nationwide Building Society ('Nationwide') blocked her accounts.

What happened

Mrs F had a current and several savings accounts with Nationwide. In March 2024, Nationwide initiated a review of Mrs F's accounts and removed her access to them, including the funds held in the accounts.

Nationwide asked Mrs F for information regarding her account activity and accounts with other providers. Mrs F provided this information soon after it was requested by Nationwide in March 2024. Mrs F complained to Nationwide about the review and that no timescales were being provided regarding the length of the review.

Nationwide issued a final response in March 2024, explaining the terms of the account allowed Nationwide to refuse to carry out transactions on Mrs F's accounts where it was required to comply with any law, regulation, code, or other duty that applied to it. Nationwide confirmed its Account Review Team would be in touch when the investigation was complete, or if Nationwide required further information, but an exact timescale for the conclusion of the review couldn't be provided.

The review of Mrs F's accounts continued until July 2024, when Nationwide lifted the account restrictions and reinstated Mrs F's access to her accounts and funds.

Mrs F complained to Nationwide. In summary, she said:

- She had called numerous times for updates regarding the timescale for the review but had found Nationwide to be dismissive and unsympathetic
- Mrs F has been considering appointing legal representation to act on her behalf to deal with the ongoing account restrictions
- Mrs F hadn't been able to access her February salary payment that was received into her Nationwide account, so she'd had to use funds from other sources to cover her monthly expenses and redirected her salary payments elsewhere
- A regular payment to an insurance company was returned and Mrs F had to explain the situation to the insurance company, which caused some embarrassment. Mrs F then had to arrange for payments to be taken from a different account, which caused her inconvenience
- Mrs F had lost out on two investment opportunities that would've allowed her to receive additional future income, with a view to eventually move to part-time employment comfortably. Mrs F mentioned she's a carer for her two children, so the investment and the benefits she considered it would bring were particularly important to her. Mrs F also supplied evidence to Nationwide, to show the deadline to sign up for one of the investment opportunities was in March 2024

Nationwide issued its final response in August 2024 and in short, it said:

- The handler from the Account Review Team who was reviewing Mrs F's account had left Nationwide. They hadn't completed work on the review before their departure and other

internal delays within the Account Review department had contributed to delays in Mrs F's account review. Feedback was to be provided to the relevant manager in the team regarding the delays

- Once a different handler was allocated Mrs F's case, her accounts were unblocked within 24 hours
- £300 compensation was offered to Mrs F in recognition of the lack of access to her funds and the impact this would've caused
- The evidence Mrs F provided showed one of the investment opportunities would've needed to have been taken up by 18 March 2024, and Mrs F's account review wouldn't have been concluded by then - this also applied to any other payments Mrs F missed in March 2024
- Account reviews were conducted on a case-by-case basis, so timescales couldn't be provided on how long they might take from the outset
- Mrs F mentioned she didn't feel she had been given an apology by the Account Review Team for the delays caused. Nationwide agreed this should've happened when the accounts were unblocked and the handler who concluded the review had been given feedback
- The time Mrs F had taken to chase Nationwide was considered in the compensation amount offered
- Nationwide expressed concern over the investment Mrs F said she'd wanted to make because it had found on further research, that the investment company wasn't regulated by the FCA and provided information to Mrs F about a Nationwide service she could use to do further checks on the investment company

Mrs F didn't accept Nationwide's response. She considered that since the second handler who completed the account review, had done so in a short period of time, it was unlikely her account would've remained blocked on 18 March 2024 if the same timescales were applied. So, Mrs F would've been able to proceed with her investments. Mrs F felt it was unprofessional that a manager hadn't picked up on the fact that her account review wasn't completed, even though the handler who originally reviewed Mrs F's accounts had left.

Mrs F wished to know why her accounts had been placed under review and since the review was complete, she felt she had the right to know the reason behind it.

Mrs F said she'd done her own research into the investments she was planning to make and she had the skills and knowledge to do so. Mrs F didn't think it was a matter for Nationwide to be concerned about and felt the point Nationwide raised about the legitimacy of the investment was being used to justify its actions. And as a customer of Nationwide for over three decades, Mrs F was appalled and disappointed with how she'd been treated overall.

Nationwide considered the additional points Mrs F made and issued a further response. Whilst it didn't consider the account review would've been concluded in time for Mrs F to make her investments, Nationwide increased its offer of compensation to £400, to recognise the time Mrs F had spent chasing the matter up and for the duration of time she was unable to access her funds. Nationwide also acknowledged that its own inefficiencies led to the delays in Mrs F's account being reviewed and her case had been prioritised in July, once the delays were identified. Finally, Nationwide explained the concerns regarding the investment was raised with Mrs F's best interests in mind and to prevent any future losses.

Mrs F didn't accept Nationwide's offer of compensation and felt that anything less than a four figure sum wasn't an acceptable level of compensation, for the reasons she had set out to Nationwide.

Mrs F referred her complaint to our service.

One of our Investigators looked into things and upheld the complaint. In summary they said:

- Nationwide was under numerous legal and regulatory obligations, and an account review was part of Nationwide's measures to meet its regulatory obligations
- Nationwide had shared information in confidence with our service about its actions and reasons for them. Whilst this couldn't be disclosed to Mrs F, Nationwide hadn't made an error in restricting her accounts
- Unnecessary delays were caused by Nationwide during the account review and without the delays, Mrs F still wouldn't have been able to meet the deadline for her investment opportunity in March 2024. Therefore, it wouldn't be reasonable to ask Nationwide to consider reimbursement of losses Mrs F might've incurred or pay a four figure compensation amount
- Mrs F was incorrectly left without access to her funds between 8 April 2024 and 18 July 2024. Mrs F was inconvenienced, provided with a lack of updates and received poor service from Nationwide. So, £400 compensation and 8% simple interest on the withheld funds during this period was a fair outcome

Mrs F and Nationwide agreed to our Investigator's findings. Mrs F subsequently contacted our Investigator to confirm she'd received the £400 compensation from Nationwide and a letter confirming it would be paying Mrs F 8% simple interest on her current account balance only. Mrs F said she was under the impression that Nationwide would be paying the interest amount on all the funds Nationwide held across her current and savings accounts.

Our Investigator clarified that the interest she recommended should be paid to Mrs F was applicable to the current account only, as the savings accounts attracted interest during the account review.

As there was no agreement, this complaint was passed to me to decide. I then sent both parties my provisional decision in which I said I was planning not to uphold the complaint.

For ease of reference, here is what I said:

Provisional decision

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I am planning on not upholding this complaint. I'll explain why.

Account review

Financial businesses in the UK are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means they need to restrict, or in some cases go as far as closing, customers' accounts.

I've reviewed the information Mrs F provided to Nationwide after it began its review of her accounts. Having done so, I think Nationwide acted reasonably in asking for the information it did. Whilst I understand Mrs F would like to know the reasons behind Nationwide's review of her accounts, Nationwide isn't obliged to provide this information to her, however Nationwide has disclosed the reason for why it initiated a review of Mrs F's accounts in

confidence to our service. And having considered this, I'm satisfied Nationwide acted appropriately in conducting a review of Mrs F's accounts.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from financial businesses 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 I consider should be kept confidential.

I understand Mrs F requested a timescale for when the review would be completed, but based on the evidence I've seen, this isn't something Nationwide would've reasonably been able to share with Mrs F.

Impact

Mrs F says she lost out on an opportunity to make investments due to the length of time Nationwide kept her accounts blocked. I acknowledge the investments were important to Mrs F due to the income and benefits she expected to receive from them. But as I find Nationwide didn't do anything wrong in reviewing Mrs F's accounts, I don't expect it to compensate Mrs F for any potential losses because she wasn't able to invest her funds in time. And having carefully reviewed the timeline of Nationwide's review, I don't consider it would've been concluded in March 2024.

It isn't in dispute that Mrs F contacted Nationwide on several occasions to find out how long her accounts would remain restricted, and she experienced a significant amount of distress and inconvenience due to the internal delays within Nationwide's Account Review Team, that led to Mrs F's account review not being progressed for several months. I note Mrs F had to make arrangements to have her salary redirected and direct debit paid from another account, but this took place at the beginning of the review, when Nationwide was entitled to restrict Mrs F's account.

Nationwide has shared details with me in confidence regarding what actions it was taking and a timeline in relation to this. Nationwide should've concluded the review sooner than it did, but I don't find awarding Mrs F any additional compensation or interest amount for this would be fair or appropriate.

I understand Mrs F would want to know the information I have weighed to reach this finding. But I am treating this information in confidence, which is a power afforded to me under the Dispute Resolution Rules (DISP), which form part of the Financial Conduct Authority's regulatory handbook. Therefore, I don't intend on asking Nationwide to award Mrs F compensation for any distress and inconvenience that may have been caused."

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 done so, I have decided not to uphold this complaint. The reasons for doing so are in my provisional decision – as above – to which both parties have offered no further arguments nor evidence for me to consider.

My final decision

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 12 November 2025.

Khadijah Nakhuda
Ombudsman