

## **The complaint**

Mr W complains that Nationwide Building Society (Nationwide) restricted and later closed his accounts following payments he received in March 2025. Mr W is unhappy with both the decision to close the accounts and the impact this had on him.

## **What happened**

On 1 April 2025 Nationwide contacted Mr W to ask him about two payments he had received. Nationwide also explained it had restricted his accounts. Mr W responded with an explanation as to where the payments had come from along with some documentation to support his claim. Nationwide later asked for further specific evidence from Mr W however he explained he was not able to provide this.

Having considered what had been provided as a part of an internal review, Nationwide made the decision to close Mr W's accounts on 4 April 2025. Nationwide explained in the correspondence it sent to Mr W that the accounts would be closed in 90 days but that they would remain restricted throughout – asking Mr W for details of an external account where it could send the remaining funds to. Mr W's accounts were ultimately closed by Nationwide on 30 April 2025.

Mr W complained to Nationwide who responded with its final response letter (FRL) explaining it was unable to uphold his complaint. Mr W remained unhappy so referred his complaint to our service. One of our Investigator's looked into it, and they recommended it wasn't upheld. In summary, they said that Nationwide had complied with their terms and conditions and having considered the evidence Mr W had provided Nationwide regarding the two payments in question; could understand why Nationwide weren't satisfied and felt they had fairly closed his accounts in the way it did.

Mr W disagreed. He's said that Nationwide's request for further specific evidence was unnecessary, disproportionate and intrusive and that it failed to follow its terms and conditions whilst having a lack of regard for the Financial Conduct Authority (FCA) principle of treating customers fairly. Mr W has also said that he provided comprehensive evidence to Nationwide regarding the payments and the fact it didn't accept this left him without access to any money whilst he was abroad and led to his travel insurance, that was provided through his bank account, being cancelled. Mr W has said this caused him to miss urgent financial obligations and suffer significant inconvenience. He's unhappy that Nationwide did not provide a clear explanation.

He asked for a final decision, so his complaint has now been passed to me for a 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.

Having done so, I have decided not to uphold this complaint. I'll explain why.

Nationwide has strict legal and regulatory requirements it must meet whilst it provides accounts for its customers. Part of these require Nationwide to monitor its customers' accounts, and this sometimes means it may carry out a review, the result of which might mean an account is restricted and later closed. Nationwide gave Mr W notice on 4 April 2025 that his accounts would close in 90 days, but I can see that the accounts had been restricted since 1 April 2025 and were ultimately closed on 30 April 2025. I've therefore considered the applicable terms and whether this was fair.

I'm satisfied Nationwide fairly relied on its terms and conditions to take these actions. I've reviewed the terms and conditions for Mr W's account and having also considered the circumstances of the account restriction and closure; I'm satisfied they allow Nationwide to do this.

Regarding both the decision to restrict and to close the account, Nationwide has provided details of its decision-making process, that I am accepting in confidence - which is a power afforded to me under DISP 3.5.9R(2) of the Dispute Resolution Rules. I've decided not to share this information with Mr W because I find it is commercially sensitive. A description of this information is that it relates to account use and Nationwide's procedures. On balance when considering Nationwide's wider regulatory responsibilities and all the information available to me, I find it had a legitimate basis for both restricting and ultimately closing Mr W's account and not telling him why. Mr W has referred to the FCA principle for treating customers fairly explaining that he feels Nationwide had a lack of regard for this. Having considered Nationwide's actions in making its decision to restrict and later close Mr W's account I don't find that it has gone against the principles set out by the FCA.

Nationwide is under no obligation to tell Mr W the reasons it no longer wants him as a customer as much as he'd like to know. So, I can't say it's done anything wrong by not giving Mr W this information. And it wouldn't be appropriate for me to require it do so.

I understand Mr W feels that Nationwide's request for further specific evidence, namely a bank statement from a third party was unnecessary, disproportionate and intrusive especially considering what he had already provided. It is generally for a financial institution to set its own risk criteria in relation to its legal and regulatory obligations. And whilst the arrangement that Mr W has described for why he received the payments may indeed be true, there is a lack of verifiatory evidence other than the testimony of those involved in the transfer of funds. So, I don't find that Nationwide acted unfairly in not being satisfied that the information and evidence supplied was sufficient for their legal and regulatory obligations or risk appetite. Whilst I understand that Mr W may not have been able to provide the third-party bank statement Nationwide requested, and doesn't believe it was needed in any case, his inability to do so doesn't mean that Nationwide had to be satisfied by what had already been presented to it. I don't find that Nationwide have acted outside of its terms and conditions in this context by no longer permitting Mr W to use his accounts freely or by deciding to close them in the way that it did. It follows that, whilst I understand Mr W will have experienced inconvenience by having the direct debits linked to his accounts stopped, I don't find this was unreasonable given the account restrictions.

One of Mr W's accounts had a monthly fee and provided additional benefits, one being travel insurance. Mr W has explained that Nationwide's decision to close his accounts meant his travel insurance was also cancelled, but that he had already paid the monthly account fee on 1 April 2025. Nationwide have confirmed that the travel insurance was in place until 30 April 2025 and was cancelled at the same point Mr W's account closed. So, Mr W received the duration of travel insurance that his monthly account fee had paid for and still had valid cover in place whilst the account was restricted. In any case, I cannot see that an insurable event took place during the time period in question.

I'm sorry to hear that Nationwide's decision to not accept the evidence he had submitted and ultimately restrict and later close his accounts caused Mr W significant inconvenience and for him to miss financial obligations. But, as I don't think Nationwide has done anything wrong, I see no basis for it to reactivate the accounts or award any compensation to Mr W for any financial loss, distress, or inconvenience he may have suffered.

**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 Mr W to accept or reject my decision before 21 May 2026.

Mark Louth  
**Ombudsman**