

The complaint

Miss V complains that Nationwide Building Society unfairly closed her savings accounts.

What happened

Miss V held two savings accounts with Nationwide. One of those was an Individual Savings Account (ISA), and Miss V's total savings were around £108,000. She has explained that she transferred around £80,000 to Nationwide in November 2024. That money had previously been held for many years with a different provider.

In February 2025 Nationwide wrote to Miss V to say that it needed more information about her and her finances. It sent her a form to complete. As well as sections for Miss V's personal information, the form required her to provide quite wide-ranging information about her finances – including her income, employment, investments and wealth. Nationwide's letter asked Miss V to complete and return the form within a month and said that, if she did not do so, it would stop offering savings and banking services to her.

Miss V did not return the form or provide the information requested. She took the view that, as she only held savings accounts, her income and other financial details were not relevant.

On 24 March 2025 – shortly after the one-month deadline had expired – Nationwide wrote to tell Miss V that it would be closing her accounts after 90 days – that is, on 22 June 2025. That letter explained Miss V would need to move the money in her accounts before that date and that, in the case of the ISA, she would need to transfer it to another provider if she wanted to keep the tax benefits.

On 9 April 2025 Nationwide wrote to Miss V again. Its letter reminded Miss V that she needed to move her funds, but it also said that it was not too late to provide the information it had requested. Miss V did not do so.

On 8 May 2025 Nationwide wrote to Miss V to say that it would be closing her accounts after 90 days. Its letter again reminded her that she needed to move funds from the accounts and that she risked losing ISA benefits. If the ISA were closed, it would not be possible to transfer funds to a different one. The accounts would not earn interest after closure.

In the event, the accounts were closed on 7 August 2025 and the funds transferred to a holding account. On 7 October 2025 Nationwide wrote to Mrs V to tell her how she could recover them – either at a branch or by transfer.

Miss V complained about what had happened. She didn't believe Nationwide should have asked her for information which was irrelevant to her savings accounts or that it should have closed them when she did not provide that information.

One of our investigators considered what had happened but did not recommend that the complaint be upheld. He noted that Nationwide had regulatory obligations and that it was for it to decide whether to continue to provide Miss V with banking services.

Miss V did not accept the investigator's assessment and asked that an ombudsman review the case.

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.

Account providers and other financial businesses are required to ensure they understand their customers' finances – including, for example, where funds have come from. In order to fulfil those obligations, they may therefore ask their customers to provide information about their finances. And that may involve asking questions which are not directly relevant to the accounts held with that financial business.

In this case, I don't believe it was unreasonable of Nationwide to ask Miss V to provide the information it requested. It did so clearly, giving her plenty of time to respond, and it explained what the consequences might be if the information were not provided.

It is also for account providers to decide whether to offer services to a particular customer, or to continue to offer them. As long as decisions about such matters are taken for legitimate reasons, we will not generally interfere. In this case, Nationwide chose to withdraw savings facilities from Miss V because it could not verify information about her finances. That is not to say that Nationwide had any suspicions about Miss V or her finances; rather, it had very limited information.

Where a bank or building society does close an account, however, it should give reasonable notice before doing so. In this case, Nationwide gave Miss V nearly three months to make alternative arrangements – and it was five months between the first indication of closure and actual closure. That was, in my view, reasonable. Importantly, it gave Miss V plenty of time to move funds to ensure that she did not lose interest or ISA benefits.

My final decision

For these reasons, my final decision is that I do not uphold Miss V's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Miss V to accept or reject my decision before 1 January 2026.

Mike Ingram

Ombudsman