

The complaint

Mr L complains that payments from his clients to his Nationwide Building Society account are frequently declined and he is dissatisfied with the actions Nationwide has taken to resolve the matter.

What happened

Mr L holds two accounts with Nationwide Building Society. His surname is spelt with an apostrophe between the first and second characters. Mr L says his clients' payments are frequently rejected and regardless of whether his clients insert the apostrophe or not, the problem persists. Mr L has approached Nationwide about this on many occasions, but it says its IT department cannot replicate the error and it can see nothing wrong with its systems.

Mr L complained and Nationwide sent him its final response and a follow up letter. In these, Nationwide said it had reviewed its systems, logged an IT fault and reviewed the activity on Mr L's account. All of these showed no error. In the follow up letter, Nationwide reiterated its previous response. Mr L remains unhappy and so referred his complaint to this service where one of our investigators considered the merits of the complaint.

The investigator said they didn't believe Nationwide had done anything wrong and so shouldn't have to do anything further. They said, in brief, that the confirmation of payee system was working correctly and that there was no evidence there was an issue with Nationwide's systems. Mr L disagreed. He pointed to a declined payment from one of his clients and said there was clearly an error. He asked for an ombudsman to review the complaint and so it's been passed to me to decide.

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 this will come as a disappointment to Mr L but I'm not upholding his complaint.

Mr L has been clear in his letter to the investigator what issue remains. He says that both the Financial Ombudsman Service and Nationwide are saying no payments have ever been declined and that is not true because of the evidence he submitted. That evidence is in the form of a screenshot which says, "The payee name you entered was a close match with the one returned by their bank". Mr L says this is the declined payment and his client made a second transaction which is the one showing on the account.

So, it's this aspect I'm concentrating on.

The confirmation of payee (CoP) scheme is designed to help prevent fraud. When a new payment is set up by a customer of a participating CoP firm, the name of the account holder is cross checked with the details held by the receiving bank. The system can then give one of four answers:

- Yes (or Match): Confirmation is received that the details match and the payment can proceed
- Close match: If the name given is a close match, the system should give the actual name of the account holder to check. The payer has the option to update the details and send again, not change the details and proceed anyway or contact the payee before making the payment.
- Match or close match: If the account type doesn't match (ie it's a personal account and the payer enters business) the name checked will be the individual's name not the business
- No match: No further detail of the account name linked to the account number and sort code is usually given. But the payer is advised to contact the payee for confirmation of their details. The payer can still however choose to push the payment through.

As can be seen from the above, CoP doesn't decline payments. It advises the payer that there is a potential mismatch and offers them the opportunity to check the details of the payee. In the screenshot Mr L sent to this service, the answer received by the payer was "close match". So the payee had the option to update the details or push the payment through.

CoP is not owned or operated by Nationwide. And Nationwide can't be held responsible for how payers enter Mr L's details on payments they're sending to him. From all I've seen, I have no evidence that Nationwide has made any errors on Mr L's accounts and from the entries on his statements, credits are being regularly received. So I can't say that there is an issue with Nationwide's systems or the way his accounts are set up. I appreciate this issue is frustrating for Mr L, but I don't believe there is anything further Nationwide can do.

My final decision

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 28 January 2026.

Stephen Farmer
Ombudsman