

The complaint

Mr J complains Nationwide Building Society carried out reviews and closed his account unfairly. He wants his account reopened and compensation for the losses he says he experienced.

What happened

Mr J held two accounts with Nationwide. In early July 2024 Nationwide carried out a review on both accounts, having temporarily removed his access several days before. They asked for his explanation for multiple payments and broader questions about his income and assets.

Mr J responded and provided information which resulted in Nationwide telling him they were satisfied with his responses, and he could use the accounts again. Although, the email he received said they might ask for more information in the future.

Nationwide carried out a further review in September 2024 and requested further information by letter. Unfortunately they misdated their letter to July 2023, although the deadline they set to respond was dated in October 2024. Mr J says this caused him confusion given he had recently completed a review and because the letter asked for a tax return which wasn't yet due.

Mr J carried out a current account switch on one of the accounts which was successful. But Nationwide then restricted his remaining account on 15 October 2024 and decided to close it immediately on 17 October 2024.

Mr J let both Nationwide and our service know that he was unwell and undergoing treatment for a medical condition at the time of the reviews. He says Nationwide failed to take proper account of his vulnerability in how they treated him.

Our investigator didn't uphold Mr J' complaint. They found:

- Nationwide provided their reasons for conducting their reviews and closing Mr J's account to our service. Our investigator accepted this information in confidence, which they were able to do under the rules that govern our service. They didn't require Nationwide to reveal their reasons to him.
- Nationwide was acting in line with its legal and regulatory obligations by conducting both reviews.
- Although Nationwide's letter was incorrectly dated, it made clear if information wasn't provided by 14 October 2024 they would restrict or close his account, and there was a phone number provided to ring. The four-week deadline was reasonable while accounting for his vulnerability.
- The closure of the account was in line with the account's terms and conditions. While Mr J found the reference to 'forced closure' (when his funds were transferred to an account he holds elsewhere) was unfair, no evidence had been provided to support the losses he says he experienced.

Mr J disagreed with the outcome and asked for a final decision by an ombudsman. Among other points, he says it's unfair to not reveal the information accepted in confidence. And he

believes Nationwide have breached the Equality Act 2010 and other responsibilities they had towards him.

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'm aware I've summarised the events in this complaint in less detail than the parties and I've done so using my own words. No discourtesy is intended by me taking this approach. Instead, I've focussed on what I think are the key issues here. This simply reflects the informal nature of our service as a free alternative to the courts.

If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I decide is the right outcome. I do stress however that I've considered everything Mr J and Nationwide have said before reaching my decision.

I've decided not to uphold Mr J' complaint. I'll explain why.

Nationwide has very important legal and regulatory obligations to meet when providing accounts. Broadly speaking they will monitor customer activity and carry out event driven or periodic reviews to these ends, which may mean they elect to restrict access to funds during or at the end of a review, and they may also close accounts.

Nationwide completed a review in early July 2024, and I don't find the questions they asked out of keeping with their responsibilities, particularly in view of the substantive transactions that had occurred on Mr J's accounts. I'm also satisfied they had a legitimate basis to review his accounts again in September 2024.

Understandably Mr J wants to know what prompted the reviews, and I don't doubt this caused him considerable stress, which may have been more impactful given his medical situation. But under DISP 3.5.9(2) R, I may accept evidence as confidential for a number of reasons. It's not a one-sided rule; either party to a complaint can submit evidence in confidence if they wish to, and it's for me to decide whether to treat it in confidence and if it's fair to rely on it.

Here, the information that establishes Nationwide basis for both reviews and their decision to close the account is sensitive and on balance I'm satisfied it should not be disclosed despite what Mr J has said. But it's also clearly material to the issue of whether Nationwide has treated Mr J fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint. A summary of that information is it relates to the transactional activity on Mr J' accounts and information that engages strongly with Nationwide's legal and regulatory responsibilities.

Mr J has referred to the Equality Act 2010 and feels adjustments weren't made which should have been. But I must make clear that only a court of law can decide if discrimination occurred. However, I've considered the law as part of my remit as an ombudsman when deciding what I consider to be a fair and reasonable outcome to this complaint. And I've also considered Nationwide's broader responsibilities to treat customers fairly, particularly vulnerable customers. Having done so, I don't require Nationwide to compensate Mr J for restricting or closing his account when they did or for the impact this had on him.

I understand why Mr J would have been confused by the date of the further letter he received, and I agree his self-assessment wasn't yet required to be completed by HMRC. But I find the letter did require further information about his property portfolio and how it was managed and it gave a deadline of 14 October 2024, which meant they wanted further information beyond what he previously communicated in early July 2024.

I've listened to what Mr J has said regarding his health and medical treatment and I understand this was a difficult time for him and I don't doubt he may not have been as able to deal with matters as quickly as he would normally. But given the importance of Nationwide's legal and regulatory obligations, the consequences of breaching them, and their basis behind their review, I haven't found they ought to have allowed Mr J further access to the account before restricting it. And, based on the information and evidence available to me, including that which I have accepted in confidence, I'm satisfied they closed the account in line with their terms and conditions.

I also see that by the time of the second restriction, the activity on the account had reduced substantively, following Mr J moving what he described as his main Nationwide account elsewhere. Neither have I found there to be strong evidence to demonstrate the loss of the account carried with it substantive detriment to him.

Mr J is understandably concerned that Nationwide recorded his account closure as "forced" when his balance transferred to his other account. But I find the account was closed by Nationwide without his agreement and in line with their terms and conditions. I don't find what was recorded inaccurate and I'm not awarding compensation on this point.

Mr J is unhappy with what he says is a ban on him being able to open accounts for six years with Nationwide from the date of the account closure. It's not uncommon for account providers to have in place internal policies or procedures to not onboard customers they have previously offboarded. And in general it isn't my role as an ombudsman to set the timeframes a business should or shouldn't have with regard to their risk appetite to onboard customers previously exited due to legal and regulatory considerations. I haven't seen either that Mr J is going to be caused the losses he states if he isn't able to open an account in the future with Nationwide.

My final decision

I've decided not to uphold Mr J's complaint for the reasons above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 27 February 2026.

Liam King
Ombudsman