

The complaint

Mr S complains about the Customer Due Diligence (CDD) questions Nationwide Building Society asked him and the restriction to his online banking. He also complains about the general service received during phone calls.

What happened

Mr S spoke with Nationwide several times in May 2025 to complain about questions he'd been asked through his online banking. He said he'd been asked about his job and his salary, and he had concerns that this information would be sold on. He said he'd seen on Nationwide's website that it would sell this information to third parties and, as a result, he didn't trust Nationwide, and wasn't happy to share his financial information with it.

As Mr S didn't comply with Nationwide's requests for information, he lost access to his online banking. He said this prevented him from carrying out his banking with Nationwide, or checking on the balance and status of the products he held. He didn't think this was fair.

During Mr S' calls with Nationwide's agents he was told the information was required in order to comply with certain law and regulation. Mr S has reported several issues during his calls with Nationwide's advisers. During one call, the agent had a bad line, in another call the agent confirmed not reading certain documents on Nationwide's website.

Nationwide responded to Mr S' complaint. It didn't think it had done anything wrong in the questions it asked. It noted Mr S had been with Nationwide for some time, and hadn't been asked for information of this nature before, but said regulations had been updated for it to now capture this information. It said, like all banks and building societies, it was subject to a series of obligations necessitating the questions it had asked Mr S.

Although Nationwide didn't uphold the majority of Mr S' complaint, it recognised the service given during some of its calls hadn't been 'as expected' and paid £50 into Mr S' account as an apology.

Mr S wasn't satisfied and brought the complaint to our service. Our Investigator looked into things but didn't think Nationwide had done anything wrong. She said the information it had asked for was part of its obligations, and cited requirements from the financial services regulator – the Financial Conduct Authority (FCA) – for firms to collect information in relation to its due diligence obligations. She highlighted Nationwide's terms which, amongst other things, said it would only give third parties information that was necessary, and would keep customers' data secure.

Mr S didn't accept the Investigator's view. He said Nationwide's agent had encouraged him to give false information about his income to circumvent the questions he'd been asked. He said Nationwide had continued to accept money from him despite the blocks it had applied. He also said he'd never given consent for Nationwide to use his information and that Nationwide could only suspend access to his online banking under particular circumstances. He said Nationwide should know he presented no risk and believed it to have exceeded its responsibilities in the information it had asked for. Mr S also complained that Nationwide's

actions in relation to his account could amount to what he called age abuse.

As no agreement could be reached, the case was passed to me to decide.

As I addressed complaint points which hadn't featured in the Investigator's correspondence to Mr S, and gave additional reasoning on the elements which had been included, I issued a provisional decision. It said:

'I would first like to mention that my role here is to think about the individual circumstances of this complaint and decide whether Nationwide did something wrong which caused Mr S to lose out. If I think it did, I can then consider what – if anything – Nationwide should do to set matters right. In reaching my conclusions, I've taken an independent view of the circumstances, and have considered all relevant rules and regulation, as well as what I believe to be good industry practice. However – and I think this will be important for Mr S to note – I have ultimately decided this case on what I believe to be fair in all the circumstances of this complaint. And while I can understand why he's unhappy with Nationwide, from the information I've seen so far, I can't fairly say it got things wrong.

I'd also like to add that, while I've carefully read all of the correspondence Mr S has sent this service, my provisional decision doesn't address every point or comment raised in great detail. I mean no discourtesy by this, it simply reflects the fact our service is an informal dispute resolution service, set up as a free alternative to the courts. So, in deciding this complaint, while I've considered all of Mr S' points, I've focused on what I consider to be the heart of the matter.

Provided it does so fairly, Nationwide is allowed to take steps to protect itself and its customers from harm. It must also adhere to a range of legal and regulatory obligations – which our service and Nationwide have already shared with Mr S. These obligations require Nationwide to sometimes review its customers' accounts and payments, and to build an understanding of its customers and their use of the products held with Nationwide. These reviews can happen periodically, and so I can understand why Mr S may have been surprised at Nationwide's questions. Given his concerns about the protection of his data, I can also understand why he may have been reluctant to provide answers. However, based on what I've said above, I'm not minded to say Nationwide got anything wrong in attempting to gather the information it has, or in its explanation for doing so.

While Mr S doesn't appear to have believed Nationwide's agents in their explanation of its data handling, Nationwide's webpage on how it uses its customers' information provides extensive detail on the different reasons for collecting data – setting out its different approaches to the different reasons it collects information, and I've seen nothing on its page which contradicts what Nationwide's agents have told Mr S. Nationwide has also confirmed to our service that the items required for its CDD are not shared with third parties, and I've seen no evidence to persuade me otherwise. Nor have I seen evidence that Mr S' age has played any role in the information being asked for, or that he has received a worse outcome as a result of his age.

Mr S has raised concerns that he hasn't consented for Nationwide to use his information and believes access to his account can only occur under certain circumstances. Given how long ago Mr S opened his account, Nationwide is unable to provide the terms available at the time. However, Nationwide has shown me the terms currently in force, which make up Nationwide's agreement with Mr S for his account. These terms are available online and, given Mr S' comments about accessing his account information predominantly through his online banking, I have no reason to think he wouldn't have been presented with the terms, or access to them.

The terms explain Nationwide can collect and use Mr S' information for a variety of reasons. These reasons include providing him with his account and related services, but also extend to fraud prevention and meeting legal requirements. I've seen nothing in these terms which persuade me Nationwide's policy on collecting or using Mr S' information has disadvantaged him.

The terms also explain the circumstances under which Nationwide can stop Mr S from accessing his digital banking. One of the scenarios covers instances where a customer hasn't given Nationwide the information it has asked for to help it meet its legal and regulatory requirements. Mr S may feel differently, but given it isn't always apparent why certain information is required, I'm not minded to say Nationwide's request for information was unreasonable or unlikely to be used to meet its obligations in this regard. As a result, I can't currently say it has done anything wrong in restricting Mr S' access to his online banking.

Having listened to a range of calls, I haven't heard any evidence of Mr S being encouraged to falsify information to circumvent money laundering regulations. With that said, my role here – as mentioned – is to consider the impact of any failing made by Nationwide. Given Mr S' account access has been affected by his refusal to provide Nationwide the information which I'm minded to say it fairly asked for, I don't think information or advice Nationwide gave during its calls has altered Mr S' actions. And so, I'm unable to conclude any material impact has stemmed from comments made by Nationwide's agents during their various calls with Mr S.

As mentioned, Nationwide has offered Mr S £50 in relation to the service he received during his calls, and I'm minded to say, taking all the circumstances of this case into consideration, this is a fair way to settle the complaint. In summary, I'm not persuaded that Nationwide has otherwise acted unfairly by requesting information or by limiting Mr S' access to his online banking as a result of his refusal to provide it.'

Mr S responded to my provisional decision. He said I had misinterpreted his comments about 'age abuse', stating they applied to the 'effect' of the information being requested. He cited his age and reliance on online banking as contributing factors. Mr S also repeated his earlier assertion that, given the length of time he'd been Nationwide's customer, its concerns could have been allayed by reviewing his account and transactions. He didn't think Nationwide's actions were proportionate.

Mr S again pointed to his call with Nationwide's agent where he reported being advised to record his income as £0. He raised concerns that he was being told how to bypass regulations.

Having received Mr S' further comments, I now have all the information I need to proceed with my final 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 see no reason to depart from the findings set out in my provisional decision and so I won't be upholding this complaint. I realise this will likely be disappointing for Mr S, so I've explained why below.

Regarding Mr S' further comments around the effect of what he called 'age abuse', my

provisional decision has already explained I wasn't persuaded he received 'a worse outcome as a result of his age'. Here, by saying 'outcome as a result of...' I referred to what Mr S describes as 'effect'. It remains that Nationwide required certain information – information which I think was likely fairly requested – and I don't consider Mr S' age to have any bearing on the fairness of such a request. I'm also mindful that Mr S chose not to provide this information and, in doing so, compounded the negative effects he describes, whether related to his age or not. I do not think it's fair to hold Nationwide responsible for this.

I note Mr S' comments on the information requested by Nationwide, its lack of nuance, and his concerns about it being disproportionate to the impact it had on him, particularly as he had a longstanding existing relationship with Nationwide. My provisional decision explained it may not be obvious why certain items of information are requested, and so I don't think there's benefit in revisiting this point in great detail. However, while I appreciate Mr S feels Nationwide's request was disproportionate, I've seen no evidence to persuade me it was unnecessary or, importantly, that it was particularly onerous on Mr S to provide.

Finally, I've thought about Mr S' comments regarding one of his calls with Nationwide. I'd like to make it clear that I don't dispute that Mr S recalls this conversation. However, as explained, my role is to assess the impact of Nationwide's failings. And for the reasons covered in my provisional decision, I'm not persuaded there was any material impact on Mr S' position as a result of the conversation he has described.

I note Mr S' unhappiness with my decision not addressing every item he has raised in great detail. However, as mentioned, my decision aims to get to the heart of the matter, addressing the key issues so as to arrive at a fair outcome overall – something I believe I have done. And so, while I understand why Mr S will be unhappy with my findings, my position remains that Nationwide has done enough to fairly compensate him for the matters covered in this decision. I therefore won't be directing Nationwide to do anything further.

My final decision

My final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 19 March 2026.

James Akehurst
Ombudsman