

The complaint

Mr L and the estate of Mrs S complain about Nationwide Building Society's handling of the transfer of funds and closure of a joint savings passbook account, at a Nationwide branch without Mr L's authority or notification.

What happened

Mr L and Mrs S opened a joint savings account in 2012 and this came with a passbook and a requirement for both parties to sign for transactions or the closure of the account.

In December 2024 Mrs S died and Mr L retained the joint account documents. In May 2025 he became aware the account held a nil balance and Nationwide said Mrs S had moved the funds to a sole account and closed their joint account in April 2024. Nationwide said this would have triggered a letter to the account holders but Mr L said he hadn't received a letter.

Mr L said Nationwide breached the 'both to sign' account requirement and acted without reference to the passbook, which he held. Mr L said he was given incorrect information by Nationwide's branch staff in May 2025 that the account had changed to one person to sign. Mr L said it was very upsetting to discover the lack of account security from the disregard of the 'both to sign' facility and the passbook, and a complaint was raised.

Nationwide called and wrote to Mr L with its response to the complaint, but also wrote that it was still investigating. Nationwide apologised for not being able to locate the withdrawal receipt or closure form for the account. Nationwide concluded that only Mrs S had signed to close the account and apologised for this error. Nationwide advised Mr L to contact the estate executor if he wanted further information. And offered him £200 compensation.

Mr L did not accept this outcome and referred his complaint to our service. Our investigator recommended it be upheld. She said Nationwide showed the need for 'both to sign' was still in place and it's unlikely Mr L and Mrs S both decided to withdraw funds in 2024 and so Mrs S shouldn't have been able to act without Mr L's agreement. She said Mr L was misadvised about this in branch and has been significantly and repeatedly frustrated, upset and stressed by the event and his attempts to find out why the account was allowed to be closed.

The investigator said we'd expect to see some documents about the account closure, though its absence is unlikely to have changed anything for Mr L. She said businesses may accept identification in lieu of a passbook, but we can't know what Nationwide did in April 2024.

The investigator said Mr L went to a lot of effort without getting the information he requested. But it wouldn't be fair for Nationwide to refund him the balance of the account as this is now part of Mrs S' estate. She said the executor needed to see what happened with the account to ensure they could administer the estate, but we can't instruct them on their duties. She said Nationwide should pay Mr L £400 for the distress and inconvenience caused to him and should apologise and explain what happened when the account was closed.

Nationwide accepted the recommendation but Mr L did not think it was fair and reasonable. He had understood we would investigate if Nationwide followed its policies and procedures.

He referred to the terms and conditions and 'Code of Conduct and Business Ethics' and the Financial Conduct Authority's Consumer Duty record-keeping rules and requirements that requires Nationwide to retain records as evidence of financial transactions.

Mr L highlighted the terms for the account which allow account holders to choose if instructions are to come from all account holders. And concerning Nationwide's discretion to follow procedures for withdrawals. He said Nationwide's code of conduct required its employees to act with integrity and diligence and treat customers fairly. Mr L clarified the dates of his branch visits and the information provided there.

Mr L said the offer of compensation is of no help as it doesn't provide the information that he and the executor require and this can only be verified and confirmed by Nationwide. He reiterated that Mrs S and Nationwide acted in breach of the 'both to sign' requirement and said Nationwide must confirm its responsibility for this.

Mr L disagreed Nationwide's actions were likely due to human error by a member of branch staff, as there was a catalogue of errors. He was pleased that Nationwide have confirmed that he had been incorrectly informed that the signature requirement on the account had changed from 'both to sign' to one to sign. But it was unclear why Nationwide said the account was changed to 'one person to sign' only after it had been closed.

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 have only summarised the circumstances of this complaint, so I'd like to reassure Mr L that I have read and considered everything he has told us in full. And I hope the fact that I do not respond in similar detail here will not be taken as a discourtesy.

The Financial Ombudsman Service is not a regulatory body or a court of law, instead we serve as an informal, unbiased dispute resolution service. Although we consider relevant law and regulation when investigating complaints, our focus is to determine whether we believe a fair or unfair outcome has taken place, from an impartial standpoint, after considering all the factors and circumstances of a complaint.

The investigator explained that our service is required to include all eligible complainants in our considerations and Mrs S is also an eligible complainant from when the events complained of took place. However, I can't see there was any impact on Mrs S as she took the actions that have led to the complaint and so I have concentrated on the impact on Mr L.

Mr L and Mrs S' joint account was one that Mr L reasonably assumed was still operating when Mrs S died. Under the survivorship rules a joint account would pass to the surviving account holder on the death of the other holder and so, Mr L was entitled to feel this would give him ownership of the account and funds. He's understandably upset and disappointed to discover this is not the case.

Mr L said fundamental to his complaint is the breach of the 'both to sign' requirement. Mr L requested a copy of the signed instruction for the transfer and the account closure and is understandably frustrated that Nationwide said this is untraceable.

Mr L said he hasn't brought the complaint with the intention of having the balance of the account returned to him – he is more concerned about getting an explanation of what went wrong and how this was allowed. However, Mr L said if Nationwide is liable for the unauthorised transfer of funds, then he wants it to refund him the balance of the account at the time it was closed. I have thought about this in my review of the complaint.

It is clear from Nationwide's records that the account was arranged so that both account holders would sign for account actions. It is equally clear that Nationwide's branch staff didn't follow the correct procedure when they allowed a single account holder to transfer funds and close the account. The staff's actions were in breach of the terms and conditions of the account and Nationwide has said it is willing to acknowledge its failings in a letter to Mr L.

Mr L disagrees that this was human error due to the catalogue of errors he has described. I think the transfer of funds and the account closure were likely to have been carried out during a single interaction between Mrs S and the branch staff and the failure to prevent closure of the account followed on from the failure to stop the transfer. I don't know what Mr L thinks the cause to be but I can imagine that branch staff were trying to assist Mrs S and the errors were likely to be due to human failings to check the requirements at the time.

Mr L was told by branch staff that the requirement for both account holders to sign had been removed, but subsequently that the requirement hadn't changed. Nationwide's rules about signing for account actions did change in May 2024, but this wasn't relevant to the joint account which was closed so there was no communication sent about this to either account holder. It seems likely that this contributed to the misleading and contradictory information provided to Mr L.

Mr L was confused by Nationwide's contradictory communications. I sympathise with him as he felt he had the security of the 'both to sign' and the passbook to ensure awareness of any transaction on the joint account. Nationwide can't explain why it overrode the 'both to sign' requirement that was still in place when Mrs S closed the account in April 2024, and which stood whether the passbook was presented or not. Nationwide has acknowledged that the information provided was poor service to Mr L.

The terms and conditions for the account required passbooks to be presented for all transactions, with an exception possible at the discretion of branch staff. As Nationwide has lost all the documentation relevant to the closure and transfer of the balance, they don't know what identification their staff accepted in lieu of the passbook. Nevertheless, it would have helped if Nationwide had responded to Mr L's questions about this at the time. It follows on from this that Nationwide can't provide a meaningful explanation for its actions and errors towards the account.

I am critical of Nationwide for failing to retain the transfer transaction and closure information. This is important account information that should be accessible by an account provider.

Nationwide's Code of Commitment largely reflects the Financial Conduct Authority's Consumer Duty. I don't think Nationwide has met the requirement to maintain records of all transactions and communications, or its commitment to deliver a good outcome for its customer.

The funds from the former joint account are now likely to be part of Mrs S' estate, of which Mr L will be a beneficiary and the other complainant is the executor. Notwithstanding the mistakes that Nationwide has made, I do not consider it would be fair or reasonable to require Nationwide to pay the equivalent of the proceeds of the former joint account to Mr L when they have already been paid to the benefit of the other account holder, whose estate is represented in this complaint.

Mr L has said he appreciates that it isn't our service's role to instruct the executor of Mrs S' estate to allocate funds to the beneficiaries, but asks that information be shared with the executor as it needs to know what should be included in the estate. The handling and

disposition of the estate by the executor is not part of the complaint and is outside of our jurisdiction. We can't direct Nationwide to deal with the executor, but it is open to the executor to contact Nationwide directly to put any requests and concerns.

Putting things right

In respect of Nationwide's mistakes concerning the account closure and poor service in providing misleading and contradictory information to Mr L, Nationwide has apologised. I hope Nationwide sees this complaint as an opportunity to review the guidance to branch staff in dealing with joint accounts.

I'm sorry Mr L and the estate of Mrs S haven't been able to get the outcome they'd hoped for from their complaint and I was sorry to learn about the misinformation Mr L received and the time he spent trying to gain some information about what had happened. I think £500 compensation represents the significant and ongoing impact on Mr L of what has been complained about and I think it is a fair and reasonable reflection of the distress and inconvenience Nationwide has caused Mr L.

Our service investigates the merits of complaints on an individual basis and that is what I've done here. I think it's important to explain that my decision is final. I realise that Mr L will be disappointed by this outcome though I hope he appreciates the reasons it has been reached. By rejecting this decision all options remain open to Mr L, including legal action should he wish to consider this.

My final decision

For the reasons I have given it is my final decision that the complaint is upheld. If this decision is accepted by Mr L and the estate of Mrs S, I require Nationwide Building Society to pay £500 compensation for the distress and inconvenience caused by its poor service. I also require Nationwide Building Society to write to Mr L to formally acknowledge and apologise for its actions when the joint account was closed together with a coherent explanation of the events.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L and the estate of Mrs S to accept or reject my decision before 18 May 2026.

Andrew Fraser
Ombudsman