

The complaint

Mrs B complains that Nationwide Building Society closed her account without providing a proper explanation. She wants Nationwide to reopen her account.

Mrs B is being represented by her son, Mr I.

What happened

The detailed background of this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mrs B had a current account with Nationwide that she'd had for nearly twenty years. Mrs B says although she had another bank account, her Nationwide account was her main account which she used to pay for everyday living expenses, make cash deposits, and pay for travelling. Mrs B has also explained that she doesn't drive, and she liked the convenience of having the account because there was a Nationwide branch near to her home. So, she could do her banking by walking to the bank, which she did often.

In February 2023, Nationwide reviewed Mrs B's account. Following this Nationwide decided to close Mrs B's account immediately. Mr I contacted Nationwide on behalf of Mrs B to try and find out what why the bank wanted to close Mrs B's account. And asked them to review its decision. He explained that Mrs B was a housewife and used the account for everyday expenses, and that he and his father paid money into the account. So, he didn't understand what had led to Nationwide deciding to close Mrs B's account. Nationwide wouldn't give him much information. It said it had reviewed the account to comply with its legal and regulatory obligations. And closed the account in line with the terms and conditions.

Nationwide reviewed its decision to close Mrs B's account but maintained that it hadn't done anything wrong when it had decided to close the account.

Unhappy with this response Mrs B brought her complaint to our service. She said Nationwide had closed her account unfairly. She explained that she'd always used her account properly and could explain all the activity on her account to Nationwide if she was asked any questions by the bank. She said the closure of her account had been upsetting and inconvenient.

One of our investigators looked at all the information and circumstances of Mrs B's complaint. She didn't think Nationwide had treated Mrs B unfairly when it had closed her account. And she explained that Nationwide didn't have to tell Mrs B why it had closed her account. So, she didn't uphold the complaint.

Nationwide agreed with the investigator's view. Mrs B didn't. She wants Nationwide to provide a proper explanation for why it closed her account. She explained that her account was very important for her, and that there were a number of direct debits set up on the account, which she'd had to rearrange.

As no agreement could be reached the matter has come 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 would add too that our rules allow us to receive evidence in confidence. We may treat evidence from financial businesses as confidential for a number of reasons – for example, if it contains information about other customers, security information or commercially sensitive information. It's then for me to decide whether it's fair to rely on evidence that only one party has seen. It's not a one-sided rule; either party to a complaint can submit evidence in confidence if they wish to, and we'll then decide if it's fair to rely on it. Here, the information is sensitive and on balance I don't believe it should be disclosed. But it's also clearly material to the issue of whether Nationwide has treated Mrs B fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.

I can see Mrs B feels very strongly about her complaint. That's clear from what's she's said to us and to Nationwide. Whilst I appreciate Mrs B's frustration and how this matter has impacted her, it's important to point out that the only thing in question here is whether Nationwide has done what it should have done. And I think it has. I'll explain why.

Nationwide has important legal and regulatory obligations it must meet when providing accounts to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. To comply with its responsibilities Nationwide will monitor accounts and carry out specific or occasional checks, which is common industry practice, which is what Nationwide did here.

Nationwide isn't obliged to reveal the reason(s) for reviewing Mrs B's account. But I've considered the basis for the review, which I find was legitimate and in line with its legal and regulatory obligations. So, I can't say Nationwide have done anything wrong when it decided to review Mrs B's account.

Sometimes following a review, a bank will decide to close an account. Nationwide is entitled to close an account with Mrs B just as she is entitled to close her account with Nationwide. It's generally for banks and financial businesses to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that a bank must keep a customer or require it to compensate a customer who has had their account closed.

As long as they reach their decisions about that in a legitimate manner, this service won't usually intervene. But before Nationwide closes an account, they must do so in way which is fair and complies with the terms and conditions of the account. I've looked at the terms and conditions and they state that Nationwide could close Mrs B's account by giving at least two months' notice. And in certain circumstances it could close the account immediately.

In this case Nationwide closed Mrs B's accounts without notice. Nationwide wrote to Mrs B in February 2023, informing her that it was closing her accounts immediately and that she'd need to make alternative banking arrangements. For Nationwide to act fairly here they needed to meet the criteria to apply their terms for immediate closure – and having looked at these terms and all the evidence that the bank has provided, I'm satisfied that Nationwide did. And that it was entitled to close the account as it's already done.

I've then gone on to consider whether the bank's reasons for closing the accounts was fair.

This can be due to a number of reasons and a bank isn't obliged to give a reason to the customer. Nationwide has provided some further details of its decision making process, I'm sorry but I can't share this information with Mrs B due to its commercial sensitivity. But I've seen nothing to suggest Nationwide's decision around closing Mrs B's account was unfair.

On balance when considering Nationwide's wider regulatory responsibilities and all the information available to me, I find Nationwide had a legitimate basis for closing Mrs B's account and not tell her why. So, I don't find Nationwide treated Mrs B unfairly when it closed her account. And I won't be asking Nationwide to reopen her account.

I understand of course why Mrs B wants to know the exact reasons behind Nationwide's decision, other than what she's been previously told. And I can see that Mr I on behalf of Mrs B has asked Nationwide to explain itself on several occasions. But Nationwide doesn't disclose to its customers what triggers a review of their accounts. And it's under no obligation to tell Mrs B the reasons behind the account review and closure, as much as she'd like to know. So, I can't say it's done anything wrong by not giving Mrs B this information. And it wouldn't be appropriate for me to require it to do so.

In summary, I realise Mrs B will be disappointed by my decision. But having looked at all the evidence and circumstances of this complaint, I can't conclude that Nationwide have treated Mrs B unfairly when it closed her account without notice. So, I won't be telling Nationwide to do anything to resolve Mrs B's complaint.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 26 February 2024.

Sharon Kerrison
Ombudsman