

The complaint

Mr F complains Nationwide Building Society (“Nationwide”) blocked and then closed his accounts without warning nor explanation. Mr F adds Nationwide did so because of discriminatory reasons due to his race.

Mr F says this has caused him financial loss, distress, and inconvenience.

What happened

In January 2023, following a review, Nationwide blocked Mr F’s accounts. Because of this Mr F couldn’t access his accounts, and regular payments like direct debits weren’t made from them. This led to Mr F having to make alternative payment arrangements and incurring some missed payment fees.

Unhappy with Nationwide’s actions, Mr F complained. Nationwide didn’t uphold Mr F’s complaint. In summary, it said:

- Nationwide has blocked Mr F’s accounts to meet its legal and regulatory obligations
- Nationwide can’t provide any more information nor a timeline of when it will get in touch with Mr F next

Mr F referred his complaint to this service.

In March 2023, Nationwide sent a letter to Mr F notifying him that it had decided to close his account with immediate effect. And he could withdraw his funds of around £25,000 from its branch by taking along proof of identity and address.

Mr F says it took two attempts to get his funds from the branch, as at first, the full amount was not released to him.

One of our Investigator’s then looked into Mr F’s complaint. In summary, they found:

- To meet its obligations, Nationwide is required to monitor and review its customers’ accounts. It doesn’t need to give notice or a reason for the review – and can restrict access to accounts whilst it carried this out
- Mr F missed his direct debits during the time the accounts were blocked, and on some occasions, he had to pay charges because of this. But Nationwide was entitled to carry out its review
- Mr F is unhappy with how long Nationwide’s review took. But based on the information we’ve been provided Nationwide completed its review in reasonable time
- Nationwide’s was entitled to close Mr F’s accounts with immediate effect. As Nationwide hasn’t done anything wrong with restricting, and closing the accounts it doesn’t need to compensate Mr F

Mr F didn't agree with what our Investigator said. He says he wants to know what Nationwide's reasons were for the actions it took, and as it returned his money, this shows there was no basis for its actions in the first place.

As there was no agreement, this complaint was passed to me to decide.

I then sent both parties my provisional decision and asked them to provide any further comments and evidence for me to consider before I reached my final decision. For ease of reference, here is what I said I was planning to decide:

Provisional decision

"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'm planning on not upholding this complaint. I'll explain why.

Account restrictions and closure

As a UK financial business, Nationwide is strictly regulated and must take certain actions in order to meet its legal and regulatory obligations. It's also required to carry out ongoing monitoring of an existing business relationship. That sometimes means Nationwide needs to restrict, or in some cases go as far as closing, customers' accounts.

Nationwide has explained and given me information to show why it reviewed and restricted Mr F's accounts. Having carefully considered this, I'm satisfied Nationwide took these actions in line with the obligations it must adhere to.

Nationwide is entitled to close an account just as a customer may close an account with it. But before Nationwide closes an account, it must do so in a way, which complies with the terms and conditions of the account.

The terms and conditions of the account, which Nationwide and Mr F had to comply with, say that it can close the account by giving him at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

Nationwide closed Mr F's accounts with immediate effect given it didn't remove the restrictions in March 2023 after it had told him he could get his funds released. Having looked at the information given to me by Nationwide, I'm satisfied it was entitled to close the accounts in the way that it did.

I know Mr F would like a detailed explanation as to why Nationwide took these actions. But it isn't under any obligation to provide this. I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from regulated businesses' as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Nationwide has provided is information we consider should be kept confidential.

Mr F's accounts were restricted in January 2023, and he couldn't get his funds until March 2023. Having looked at Nationwide's review timeline and evidence, I'm satisfied it hasn't caused any avoidable delays here. So I don't need to think about compensating Mr F for the deprivation of his funds.

Mr F says this matter has caused him financial loss – given he had to pay missed direct debit payments. He also says it has caused him significant distress and inconvenience. I do

appreciate this matter would've caused him some difficulty. But having looked at what's happened in this particular case, I can see no basis on which I might make an award against Nationwide given I don't think it has done anything wrong in restricting and closing Mr F's accounts.

So I'm not going to ask Nationwide to compensate Mr F for any financial loss, distress, and inconvenience this may have caused.

Discrimination

Mr F says that Nationwide acted in the way it has here because of discrimination due to his race. This is a serious allegation. I'd like to assure Mr F that I've very carefully considered everything he's said about this. And I want to make clear I do not doubt how genuinely he feels about this matter and the upset Nationwide's actions have caused him.

But I've not seen Nationwide had any written policy document to that effect. Nor have I seen anything else which shows Nationwide was treating Mr F differently because of a protected characteristic. And while I appreciate this is his perspective, it is not my role to decide whether discrimination has taken place as a matter of law – only the courts have the power to decide this.

I have, however, considered the relevant law in relation to what Mr F has said when deciding what I think is the fair and reasonable outcome. Part of this has meant considering the provisions of The Equality Act 2010. But after doing so, I've not seen evidence to indicate Mr F was discriminated against on the grounds of his race. So I haven't found that Nationwide's behaviour was improper.

Instead, and as I've said already, there are a large number of regulations and laws that financial businesses must take heed of in running customer's accounts. And it is in relation to those obligations that I find Nationwide's decision to restrict Mr F's account was made.

Lastly, I note Mr F had to visit the branch on two occasions to retrieve his funds. It's not clear why he wasn't able to do this in one go, but he did manage to get them in their entirety in a relatively short space of time. So I don't think Nationwide needs to do anymore"

The deadline for further submissions has now passed. Nationwide say it doesn't have anything further to add, and Mr F hasn't responded.

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, and for the reasons in my provisional decision – as above – I do not uphold this complaint.

My final decision

I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 21 March 2024.

Ketan Nagla

Ombudsman