

## The complaint

Mr A complains Nationwide Building Society unreasonably blocked and then closed his accounts with them.

## What happened

Mr A held a number of accounts with Nationwide. In July 2023 the society blocked his accounts and asked him for some information about how the accounts were being used.

Unhappy with this Mr A complained to Nationwide, saying he hadn't been able to access his funds to get to work. The society responded to say they had acted in line with their legal obligation to understand their customers and their financial dealings. They said they couldn't say how long the review would likely take, but he wouldn't be able to use his accounts while the review was ongoing. They referred him to the terms of his account.

Nationwide then wrote to Mr A to tell him they were going to close his account, and that he could collect his funds from a branch. They did not provide a reason for the closure. Mr A raised a Data Subject Access Request (DSAR), but the information provided did not include the reasoning for the closure. He complained again, but Nationwide said they couldn't share this with him.

Mr A then referred his complaint to our service. Our investigator looked at what happened but didn't think Nationwide did anything wrong. They were satisfied the society were reasonable when they restricted his account. Mr A disagreed, asking why the investigator hadn't considered the closure of the account. He also felt he should receive compensation for the length of time it took for Nationwide to provide their file to us. The investigator felt this was a new issue that would need to be referred to Nationwide first.

As no agreement could be reached the complaint was passed to me to decide. On review, I broadly agreed with the investigator's outcome, but wanted to expand on the reasoning. I issued a provision decision, which said:

*Firstly, I'm satisfied that I can consider Nationwide's decision to close Mr A's account as well as the block and review. I'm minded that the issue is essentially the same as the review, so falls within our service's investigative remit.*

*Nationwide, like all regulated businesses within the UK, have strict legal and regulatory obligations to meet when providing accounts to their consumers. Broadly, they are expected to look for signs of people potentially falling victim to financial harm, as well have systems and controls in place to detect and prevent fraud and financial crime.*

*These obligations mean that, sometimes, they'll need to carry out a more detailed review into someone's account. And that while they do so, it's not unreasonable they block any transactions. There is provision for this in the terms of Mr A's account, so I don't see they've been unreasonable in doing this.*

*There's no specific obligation on Nationwide to explain why they've decided to carry out a review, and they've declined to discuss why. The rules of our service allow us to treat certain evidence as confidential, such as where it's commercially sensitive.*

*I'm satisfied it's appropriate for our service to keep Nationwide's reasoning confidential, so I'm not going to detail it in full here. But I consider the review and block to have been reasonable, and in line with Nationwide's legal and regulatory obligations.*

*Nationwide ultimately took the decision to close Mr A's account, giving him no further notice. The terms of the account say this can only happen in limited circumstances. I'm minded they apply here. I don't see that Mr A has been treated unreasonably by the decision to close his account. The remaining funds were made available to him in a reasonable timeframe.*

*Mr A has complained that he wasn't given the reason for the closure, and this wasn't included in his DSAR either. But again, there's no obligation on Nationwide to give him the reasons for the account closure.*

*It's not for our service to decide whether this should or shouldn't be included with the information from a DSAR – my role is to decide whether Nationwide have treated Mr A fairly and reasonably. They've declined to discuss their reasoning with him, and I consider that to be fair.*

*Ultimately, while I appreciate Mr A will be disappointed, I'm persuaded Nationwide have stuck to their legal and regulatory obligations in choosing to block and then close his account. I've considered what he'd said about the time taken to resolve the complaint, but overall, I'm not minded to make any award for distress and inconvenience. As mentioned, I'm satisfied Nationwide haven't been unfair or unreasonable, so I wouldn't look to compensate Mr A for any distress that flows from their reasonable actions.*

Mr A did not respond to the provisional decision by the deadline. Nationwide responded to say they had nothing further to add. As such, it now falls on me to issue 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 reviewed the file in full – and in the absence of any further evidence or arguments from either party – I remain satisfied with the findings from the provisional decision and do not see a reason to depart from them.

I do not see it as unreasonable that Nationwide took the decision to review and subsequently close Mr A's accounts. I see this was done in line with their legal and regulatory obligations, as well as the terms of the account, which he had agreed to. I see no further obligation on Nationwide to discuss their reasons for doing this with him.

On that basis I wouldn't look to compensate him for any inconvenience that flows from the reasonable actions of Nationwide.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 9 April 2024.

Thom Bennett  
**Ombudsman**