

The complaint

Mrs N complains that Nationwide Building Society (“Nationwide”) failed to verify a signature was hers on a form to remove her from a joint account held with her ex-husband resulting in her being removed from the account without her consent.

What happened

Mrs N held a joint account with her ex-husband with Nationwide. Nationwide received a form purporting to be signed by both account holders requesting the removal of Mrs N from the joint account. Nationwide’s staff member checked the signature on the form against the one it held for Mrs N on a previous form from 2013 that she’d signed. They were satisfied the signatures matched and so verified the signature on the form on 11 December 2023 and actioned the request to remove her from the account.

Mrs N noticed that the account was no longer showing up when signed into her banking app and so called Nationwide about this on 15 December. Mrs N informed Nationwide that the signature wasn’t hers and that it had been forged by her ex-husband, which she said he had admitted. Mrs N says having her removed from the account allowed her ex-husband to transfer £19,000 into and out of the account without any discussion.

Mrs N questions Nationwide accepting a form without further evidence and Nationwide’s agent advised it needed to check the branch procedure for this and that she can be added back onto the account and to call its banking team. This advice was incorrect as Nationwide’s policy is that when a name has been removed from an account then the account must remain in the sole name of the remaining account holder.

Nationwide spoke to Mrs N again on 10 January 2024 and explained that the correct process had been followed and that having checked the signature on the form against what it held for Mrs N it did not give them cause for concern and advised that she should report what happened to the police. Mrs N was unhappy with this and raised a complaint. Mrs N asked that Nationwide respond to her complaint to her email address and not the one held on file as that is a joint one with her ex-husband.

Nationwide didn’t agree that it did anything wrong as it followed the correct procedure when accepting the removal of the account holder form. It clarified that if it wasn’t able to validate the signature of the account holder being removed it may ask them to visit the branch with ID or give it a call, but on this occasion after checking the signature against its records it believed it to be genuine.

However, it did accept it had provided Mrs N with incorrect information about adding her name back on to the account and so compensated Mrs N £50 for its error in this regard. Unfortunately, Nationwide sent its final response to the wrong email address resulting in Mrs N’s ex-husband receiving the email. Understandably Mrs N was very unhappy with this and so Nationwide apologised and compensated her a further £150 asking that this service take this into consideration when assessing any award.

Mrs N was still unhappy at the way Nationwide removed her from the account and so brought her complaint to this service.

One of our investigator's looked into Mrs N's concerns and although they sympathised with Mrs N they were unable to determine a bank error had taken place in removing her from the account. And as complaint handling is not regulated, they couldn't ask them to increase the compensation paid despite Nationwide's error.

Mrs N was dissatisfied with this and asked for an ombudsman's decision. Following this I went back to Nationwide and asked if Mrs N could be added back to the account if the removal was fraudulent which Nationwide confirmed it could do providing the fraud had been reported to the police.

I asked Nationwide to confirm what its processes are when it is notified that account holders are in dispute as in this case. Nationwide confirmed that neither Mrs N or her ex-husband's profiles showed any flags to indicate the account was in dispute when Mrs N was removed from the account and so had no reason to not action the request.

Nationwide also confirmed the balance of the account at the date Mrs N was removed was £57.44.

I asked Mrs N whether she wanted to be put back on the account which she confirmed she didn't. I asked whether she'd received the £150 compensation and what financial detriment had she suffered personally. Mrs N confirmed she'd received the compensation and that the personal financial detriment is 50% of the money that her husband was able to transfer into and out of the account without her knowledge following her removal from the account.

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 hope that Mrs N won't take it as a discourtesy that I've condensed her complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that. And the crux of Mrs N's complaint is Nationwide didn't apply any sort of due diligence when it removed her name from the joint account held with her ex-husband.

It might be helpful for me to say here that, as we are not the regulator, I cannot make Nationwide change its systems or processes – such as how account holders are removed from an account or its policy regarding adding them back on. We offer an informal dispute resolution service and we have no regulatory or disciplinary role. My role rather, is to see if Nationwide has done anything wrong or treated Mrs N unfairly. If it has, I would seek – if possible - to put her back in the position she would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

And although I don't doubt Mrs N's testimony that her signature was forged, having looked at the signature Nationwide used to verify the signature on the account holder removal form I don't think it was unreasonable that Nationwide were satisfied it was the signature of Mrs N. The two signatures look similar enough to me and raise no suspicion in my mind as not coming from the same person. And as Mrs N hadn't previously made Nationwide aware of any dispute regarding the account, I don't think that it treated Mrs N's unfairly or made a mistake in following the processes it did when removing her name from the account.

I understand Mrs N feels she should be compensated because her ex-husband was able to transfer funds into and out of the account after she was removed from it without her knowledge, and I sympathise with Mrs N as clearly her personal circumstances are very difficult. But ultimately, I don't think Nationwide's removal of her from the account on the information it had was an error on its part and nor can I say Nationwide were responsible for the actions her ex-husband took after this event.

That's not to say I think Nationwide did everything right. I think its advice could've been better and clearer regarding adding Mrs N back onto the account and it made an error in sending its final response to the wrong email address. But Nationwide has already compensated Mrs N £200 in total (£50 plus £150) for this and as Mrs N doesn't wish to be added back on to the account, I don't think Nationwide needs to do anything further and overall, I think this is a fair outcome in the circumstances.

My final decision

For the reasons I've explained I've decided not to uphold Mrs N's complaint against Nationwide Building Society.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N to accept or reject my decision before 31 July 2024.

Caroline Davies
Ombudsman