

The complaint

Mr B complains Nationwide Building Society said he was required to provide a mobile phone number in order to open up a savings account online.

What happened

Mr B has a current account, a credit card account and various savings accounts with Nationwide. He has accounts elsewhere too.

In April 2023 Mr B says he tried to open an online savings account with Nationwide. He says he was unable to do so because he had to provide a mobile number in order to complete the application – he wasn't told about this until he got to the end. Mr B says he's registered blind and doesn't have or want a mobile phone. So, he complained to Nationwide saying that it was discriminating against people who don't have or don't want to use a mobile phone.

Nationwide looked into Mr B's complaint and said that it had taken the decision to make a mobile number a "mandatory requirement" for members, and non-members, who wish to apply for a new account online. Nationwide also said that it didn't agree that it was discriminating against members without mobile phone as it provided other options for opening and operating its accounts. In his case, Nationwide said that it could see that Mr B had been able to open the account he wanted in branch and that it offered the option of opening an account over the phone to members for whom visiting a branch wasn't an option.

Mr B was unhappy with Nationwide's response saying that it made him feel like a "second class" citizen and that other businesses with whom he had accounts were happy to send one-time passcodes to a landline. He said that Nationwide had provided him with a card reader so he could access his accounts online and make payments and sent one-time passcodes to his landline. So, he didn't understand why it had chosen to discriminate against those who don't use, or aren't able to use, a mobile phone. He complained to us.

One of our investigators looked into Mr B's complaint and said that they didn't think Nationwide had acted unfairly as Mr B had been able to go to branch and open the correct account the same day. Mr B didn't agree saying that he was able to sign into his Nationwide accounts online, make online payments and make online purchases using his card reader and one-time passcodes sent to his landline, so insisting on providing authentication via a mobile phone was unnecessary. And in his case discriminatory since he doesn't have a mobile phone, nor is he able to use one, because he's registered blind. He asked for his complaint to be referred to an ombudsman for a decision. His complaint was, as a result, passed to me.

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.

In January 2023 I issued a provisional decision saying that I was minded to uphold this complaint and require Nationwide to pay Mr B £100 in compensation. Both parties were

invited to reply. Mr B clarified a couple of issues but appeared to be happy with my decision. Nationwide asked me to clarify what I'd said in my decision to understand why I'd said I was satisfied that it offered alternative ways for customers to authenticate but that it had also made Mr B feel like a "second class citizen". I explained to Nationwide that it had said Mr B had to provide a mobile phone number in order to open the savings account in question online even though the eligibility criteria didn't say one was needed and customers don't apparently need a mobile number in order to operate the account. I said that meant he had to go into branch to open the account and felt he was treated differently because he didn't have a mobile. And because he didn't have a mobile on account of being visually impaired that this had made him feel like a "second class citizen". Nationwide asked for more time to reply to my decision. I said I was happy to give them two weeks, if needed. I've still not heard back from Nationwide, despite that additional two weeks having expired. So I'm going to go ahead and issue my decision based on everything I've been told to date.

In my provisional decision I said as follows:

"I'm satisfied that Mr B – who is registered blind and already had [accounts] with Nationwide and a card reader – tried to open a Nationwide savings account online and wasn't able to progress to the end because the application required him to provide a mobile phone number. I've seen Nationwide discuss this requirement internally – it's apparent that Mr B isn't the only customer to have complained about the need for a mobile phone number in order to apply for an account online – and mention the fact that:

- *to sign into an account online a one-time passcode is needed so a mobile number is "pretty important" if a customer doesn't carry around their card reader;*
- *it's essential for Nationwide to have as many accurate contact options as possible;*
- *with mobiles becoming an increasingly important communication and authentication tool Nationwide really does need to insist on capturing this information;*
- *Nationwide's approach to requiring mobile numbers when members are choosing a digital channel is about the increasing need for Nationwide to use stronger forms of authentication and the need to be able to get hold of customers when it can't rely on them visiting and transacting in a branch; and*
- *Nationwide's branches remain a viable channel for many members, and it is maintaining its branch footprint with UK based call centres.*

I accept that mobile phones are an increasingly important communication and authentication tool, and that it's helpful for Nationwide to have as many accurate contact options as possible. The FCA has, however, in my opinion, made it clear that businesses should offer alternative ways of authenticating that don't involve mobile phones so that customers who can't use a mobile phone, or don't have one, aren't excluded from online banking. And I'm satisfied that Nationwide offers alternatives that don't involve mobile phones to its customers so that they can authenticate. Mr B has mentioned two of them – the card reader he has that he uses to authenticate when he logs onto his [accounts] and the landline he uses to receive one-time passcodes.

I can see in this case that Mr B was able to open the online savings account he wanted after going into branch without having to give Nationwide a mobile number. So, I agree with him, based on what I've seen, that Nationwide doesn't appear to have given a particularly good reason why Mr B was required to provide a mobile number when he tried to open the same account online. I can, however, also see that Mr B wasn't sure whether or not the account he'd been allowed to open in branch was an online account

or not, in part because he received a passbook. So, I don't agree with Nationwide that his complaint was resolved that day.

Given what I've just said, I can understand why Mr B felt a "second class" citizen. He was able to go into branch the same day and open an account, but he didn't know whether or not it was an online account. And Nationwide – when it issued its final response – continued to say that it was now requiring members, and new members, to provide a mobile phone number when opening an account online even though Mr B had been able to open the same account without having to provide a mobile number. In the circumstances, I'm minded to say Nationwide didn't act fairly in this case and to award Mr B compensation that reflects the impact this had on him. In this case the impact appears – based on everything I've seen – to have been minor. So, I'm minded to award Mr B £100 in compensation."

Having reconsidered everything the parties have said, I remain of the view that Nationwide made Mr B feel like a "second class citizen" and that not being able to open the account he wanted to online did cause him inconvenience. And that an award of £100 is fair and reasonable in this case.

Putting things right

For the reasons I've given, I consider an award of £100 to be fair and reasonable in this case.

My final decision

My final decision is that I'm upholding this complaint and require Nationwide Building Society to pay Mr B £100 in compensation for the distress and inconvenience he's been caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 13 April 2024.

Nicolas Atkinson
Ombudsman