

The complaint

Mr C complains that Nationwide Building Society froze and then closed his accounts without explanation.

What happened

Mr A held a current account, a savings account and an ISA with Nationwide. In April 2023 Nationwide contacted him asking him to complete an “*Additional Information Form*”. The form asked for information about Mr A and about his finances – including details of his wealth, income, business activities and investments. It also sought information about some specific transactions – including payments into and from his accounts.

Mr A thought that the information request was unnecessarily detailed and intrusive, so did not respond to it.

Because Mr A had not provided the information it had requested, Nationwide froze his account. Shortly afterwards, it gave Mr A notice that it was closing his accounts and a few days after that provided him with a cheque representing the balance on the accounts – a little over £80,000.

Mr A complained to Nationwide and, because he was unhappy with its response, to this service.

One of our investigators considered what had happened. In a preliminary assessment he indicated that he did not think Nationwide had acted unfairly; he did not recommend that the complaint be upheld.

Mr A did not accept the investigator’s assessment and asked that an ombudsman review the case.

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.

Account providers must follow certain legal and regulatory obligations. From time to time, that might mean they need to obtain information about their customers and about their finances. In order to meet those obligations, Nationwide asked Mr A to provide information about himself and about his financial arrangements.

I do not believe that Nationwide sought excessive information from Mr A or that its request was overly intrusive or unreasonable. I do not believe either that it was unreasonable of Nationwide to place a block on Mr A’s account when it became apparent that he had not responded to its request for information.

It is generally for banks and building societies to decide whether to provide, or to continue to provide, account services to any particular customer. They can exercise their commercial discretion in such matters and, as long as that discretion is exercised legitimately, this

service won't usually intervene. I have considered that issue here, and am satisfied that Nationwide's decision to close Mr A's accounts was a legitimate one. He did not provide the information it had reasonably requested, so it was unable to complete a review of the accounts.

I note that, having told Mr A that it was closing his accounts, Nationwide arranged for funds to be returned to him without any unreasonable delay; he received a cheque within a week.

My final decision

For these reasons, my final decision is that I do not uphold Mr A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 30 July 2024.

Mike Ingram
Ombudsman