

## **The complaint**

Miss G complains that Nationwide Building Society left her accounts and online banking blocked for longer than it should have done.

## **What happened**

The detailed background to this complaint is well known to both parties and so I'll only provide an overview of some of the key events here.

In November 2022, following a loan application, Nationwide paid a loan for £25,000 into the account Miss G held with them. Those funds were then moved from that account to another account that Miss G held before she says they were ultimately lost to a scammer.

Miss G reported to Nationwide that she hadn't applied for the loan, nor moved the money. In the course of investigating this, Nationwide applied blocks to Miss G's accounts and online banking. I've already issued a final decision about Nationwide's decision to hold Miss G to the terms of the loan agreement and for them not considering the outgoing payments from the account as 'unauthorised'. In that decision I concluded that it was more likely than not that Miss G had taken the loan and authorised the payments in question. So, I won't be commenting again on any of those issues. This decision is about Nationwide's actions in relation to the blocks on Miss G's access to her banking.

Miss G believed that Nationwide had closed her account as she says she'd been unable to use her debit card, access her online banking or get information in branch. The complaint was considered by one of our Investigators who recommended it should be upheld. In summary she said the accounts hadn't been closed but she thought Nationwide ought to have released the blocks sooner than they did. She recommended that they should pay £500 compensation as well as support Miss G in regaining access to her accounts.

Ultimately Nationwide said they would need Miss G's co-operation to update her address details but agreed to help and to pay the suggested compensation. Miss G disagrees, she doesn't think the compensation fairly reflects the impact on her, given the number of calls and branch visits she had trying to resolve matters. She asked for an Ombudsman to review her complaint.

## **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, I agree with our Investigator's outcome and for largely the same reasons. When Miss G alleged that her account had been compromised, I'd expect Nationwide to take the steps they did, which is to restrict access to accounts and online banking. This is a sensible and common step to take, ultimately with the intention of protecting the customer.

But by no later than the point at which Nationwide had completed their investigation, I'd have expected the blocks to have been removed and for Miss G to have had access to her accounts restored. The evidence from Nationwide doesn't support that this happened. Nationwide say that blocks on online banking and Miss G's current accounts remained until October 2023. And it appears a flag that prevented branch staff discussing the account remained until December 2023.

I can see that Miss G had raised the issue with Nationwide on numerous occasions, but ultimately it wasn't resolved. I think Nationwide ought to have removed the blocks and restored Miss G's access to her accounts far sooner than they did. Obviously what has already happened can't now be changed. So all that remains is to decide what should be done to put things right / compensate Miss G for the impact of Nationwide's errors.

Miss G says that she was caused significant distress and inconvenience. She's described numerous long phone calls and visits to the branch to try to resolve the matter. Miss G also mentioned that she received no support for her direct debits including her mortgage payments whilst the account was blocked. But I can see that Nationwide continued to process the direct debits, even though Miss G was unable to access her accounts. As such, I don't think this caused any additional issues for Miss G who arguably would have ended up in a worse position had the direct debits been declined or stopped.

However, I accept that Miss G experienced avoidable distress and inconvenience as a result of Nationwide's errors. Although I do note that Miss G was fortunately able to receive assistance from others to help mitigate the situation to an extent. I'm also aware (from the linked complaints) that Miss G held another account with 'R' which she presumably maintained access to during this time period. And whilst I acknowledge there was a meaningful level of inconvenience, £500 isn't a nominal or insignificant amount of money.

Overall, I think the £500 compensation which our Investigator recommended is a fair way to compensate Miss G and I'm not persuaded it would be fair and reasonable to increase this amount. I also agree that Nationwide should provide reasonable assistance to help Miss G reinstate full access to all her accounts and online banking etc. if this hasn't already taken place.

### **My final decision**

For the reasons outlined above, my final decision is that I uphold this complaint.

Nationwide Building Society must pay Miss G £500 compensation. They should also provide reasonable assistance to help Miss G regain full access to her accounts where this has not already happened.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 15 May 2024.

Richard Annandale  
**Ombudsman**