

The complaint

Mr J complains that Nationwide Building Society unfairly decided to close his account. He's also unhappy that Nationwide didn't intervene to stop him using his account to fund his gambling.

What happened

In May 2021, Nationwide wrote to Mr J explaining that it had decided to close his account. Mr J is unhappy with Nationwide's decision to do so and because he feels he wasn't given enough notice.

Mr J also complains that Nationwide didn't intervene to help him manage his use of his account to stop him gambling. He says Nationwide's failure to intervene led to him incurring charges on his account. Mr J wants Nationwide to compensate him and reimburse him for the fees he was charged.

In its response, Nationwide recognised that it could have done more to support Mr J with his gambling, so it paid him £250 compensation. Nationwide explained that it hadn't acted unfairly when it decided to close Mr J's account.

Remaining unhappy, Mr J asked this service to step in and review his complaint. Our investigator felt Nationwide should have done more to support Mr J with his gambling and concluded that, had it done so, it's likely Mr J would've stopped using his account in the way that he had been. The investigator asked Nationwide to refund the charges Mr J incurred.

Nationwide didn't agree, so the complaint has been passed to me to decide.

My provisional decision

I recently issued my provisional findings, explaining why I didn't plan on upholding this complaint:

Account closure

Banks that operate in the UK (including Nationwide) are required to carry out specific actions to meet their legal and regulatory obligations. This includes the requirement for banks to complete ongoing monitoring of existing business relationships. And that sometimes results in banks deciding to restrict or - in some instances - close customer accounts.

Nationwide has provided me with information to show why it reviewed Mr J's accounts. Having considered this, I'm satisfied Nationwide acted in line with its regulatory obligations.

Nationwide is entitled to close an account. However, in doing so, it must ensure it complies with the terms and conditions of the account. The terms of the account say that Nationwide can close Mr J's accounts by giving him at least two months' notice. In certain circumstances, Nationwide can also close an account immediately.

Nationwide gave Mr J two months' notice that it was closing his accounts. Based on the

information I've seen, I'm satisfied that Nationwide acted fairly and in line with its terms and conditions when doing so. Nationwide is under no obligation to explain why it made this decision.

Gambling transactions

Mr J held this account with Nationwide for many years. So the information both parties have provided us with only goes back to a certain point and there's also gaps in the period the information covers.

Looking at Mr J's Nationwide statements in the period leading up to the closure of his account, it's apparent that he used his account for a large number of gambling transactions. At times, he had spent thousands of pounds in the space of a month and often carried out such transactions numerous times in one day. I can see that Mr J would typically gamble all account credits – be it those that he'd sent from another one of his accounts or credits from any winnings.

I can also see that he'd taken out at least one third-party loan in 2021 for £10,000, a significant proportion of which he seems to have spent on gambling payments in the days that followed. Mr J often went into his overdraft and incurred charges due to things like failed payments.

This pattern of activity remained consistent on Mr J's account for a lengthy period and there was enough, in my opinion, for Nationwide to have noticed Mr J may need support. I can also see from the documents Nationwide has sent us that there were multiple opportunities for Nationwide to have noticed there was a problem. This includes several payment arrangements in 2016 that Mr J agreed in order to bring his overdraft balance within his arranged overdraft; as well as yearly overdraft reviews between 2016 and 2018, after which Nationwide decided to reduce and later terminate Mr J's arranged overdraft.

Such activity suggests to me that Nationwide had enough involvement in Mr J's account usage to have noticed the significant level of gambling payments. And although there's a large gap in the statements I've seen dated prior to 2020, I've seen enough to be satisfied that Mr J's account activity involved excessive levels of gambling transactions.

In my opinion, Nationwide should've stepped in to offer Mr J support. At this point, Nationwide could've discussed blocking gambling transactions, provided advice to Mr J, or referred him to external organisations that could provide support with his gambling.

In response to our investigator's view, Nationwide says that it didn't have a duty of care to Mr J to intervene in the way I've set out above. However, it did previously point out that it couldn't see that it ever provided Mr J with specialist support and paid him £250 compensation to put things right.

I've already outlined that I think Nationwide could have done much more here – including referring Mr J to specialist gambling support and potentially putting a gambling block in place. I understand that Nationwide's failure to do so caused Mr J great distress. And I'm sorry to hear he experienced this and continued to struggle with compulsive gambling.

However, for me to say that Nationwide should refund the losses Mr J suffered from gambling payments via his account, I'd need to conclude that the intervention I'd have expected it to put in place would've prevented Mr J from gambling. I realise this will disappoint Mr J, but I'm afraid I'm unable to conclude this. I'll explain why.

I can see that Mr J held at least one other account with a third-party bank. As I said earlier,

Mr J seems to have funded some of his gambling transactions using funds transferred from another one of his accounts. For me to conclude that Mr J would've stopped gambling if Nationwide intervened, I need to understand the reasons that Mr J has managed to stop gambling now.

But, from looking at Mr J's statement for another one of his accounts, dated May-July 2023 – around two years since Mr J's Nationwide account was closed - Mr J has continued to carry out a large number of gambling transactions. During this period, I can see around £9,000 of transactions to gambling companies. So, despite his Nationwide account closing, Mr J seems to have continued with the same pattern of gambling. So I think it's unlikely that any intervention from Nationwide would've prevented Mr J gambling in the way that he had been.

I understand Mr J feels very strongly that intervention and support from Nationwide would have stopped him from further gambling harm. However, looking at the evidence of Mr J's spending since his Nationwide account was closed, I can't safely say I'm persuaded he would've stopped gambling - even if Nationwide intervened as I'd expect.

On that basis, I don't plan on asking Nationwide to increase its compensation award. Mr J wants Nationwide to refund him for the charges and fees he incurred due to things like failed payments and fees related to his overdraft – he thinks he wouldn't have incurred such charges had Nationwide intervened.

Although our investigator concluded that it would be fair and reasonable for Nationwide to refund these charges, given what I've said above, I don't intend to ask Nationwide to do so. I say this because I can't see that it's likely Mr J would've agreed to things like extra support or a gambling block. Therefore, I can't safely conclude that intervention on Nationwide's part would've stopped Mr J from gambling and, as a result, incurring these charges.

Nationwide responded, accepting my provisional findings. Mr J didn't respond.

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.

Given there's been no new submissions from either party following my provisional decision, I have no further comments to make, and my decision remains the same.

I'm satisfied that Nationwide acted fairly when it decided to close Mr J's account. I'm also of the opinion that it's unlikely any intervention from Nationwide would've stopped Mr J from carrying out gambling payments in the way that he had been.

My final decision

For the reasons explained, I'm not upholding this complaint.

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

Abdul Ali

Ombudsman