

The complaint

Ms M's and Mr S' complaint is that Nationwide Building Society unfairly decided to close their account. As the main complainant, for ease I'll mainly refer to Mr S in my decision.

What happened

This complaint is linked with another that Mr S has brought to us about the closure of his sole account. So much of my comments and findings in this decision will be similar.

Mr S is unhappy that Nationwide decided to close his account last year. Mr S feels it's unfair that Nationwide took this step without explaining its reasons for doing so, as he thinks he should've had an opportunity to address any concerns Nationwide had at the time.

Mr S also points to previous steps by Nationwide to close his account, which he was able to prevent following the submission of further information. He thinks Nationwide failed to take this information into account when making its decision. At the time, Mr S submitted a data subject access request (DSAR) so that he could establish why Nationwide decided to close his account. He's concerned that Nationwide's response didn't include details of the reason why.

Following Nationwide's final response on the matter, in which it explained to Mr S that it had acted fairly – Mr S asked this service to get involved as he wants Nationwide to reverse its closure decision.

Mr S points to historic information about him that he thinks may be the reason why Nationwide decided to close his account. Although I won't set out the detail of this in my decision, Mr S did point out that this information poses no risk to Nationwide. He feels Nationwide failed to properly follow its legal and regulatory obligations in reaching its decision.

Mr S says Nationwide's decision caused him stress and inconvenience and he feels stigmatised and excluded because of its decision. He also says the closure of his joint account has caused a strain on his relationship with Ms M, as well as cause them to delay starting a family because it's created uncertainty around their banking facilities.

One of our investigators concluded that Nationwide had acted fairly. Mr S didn't agree and asked for a final decision, so the complaint has been passed to me to decide.

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've decided that Nationwide acted fairly.

Financial firms 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 Nationwide to complete ongoing monitoring of existing business relationships. And that

sometimes results in firms deciding to restrict or - in some instances - close customer accounts.

Nationwide has provided me with information to show why it reviewed Mr S' joint account. 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 S' account by giving him at least two months' notice. In certain circumstances, Nationwide can also close an account immediately.

Nationwide gave Mr S two months' notice that it was closing his account. 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.

I understand Mr S' concern, given he would like to know why Nationwide closed his account and for it to explain whether it based its decision on historic information about him. Mr S also wants Nationwide to share its risk policy. But Nationwide is under no obligation to explain why it made this decision, nor is it obliged to do so as part of a DSAR response. Nationwide also doesn't need to share details of its internal policies with Mr S.

It's important that I point out that our rules allow us to receive evidence in confidence. We may treat evidence from firms as confidential for several reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Nationwide has provided is information I consider should be kept confidential.

I understand Mr S' perspective on what has happened. Nationwide previously accepted further information from him on two occasions over the six years prior to its closure decision. It appears that, at the time, the information Mr S provided was sufficient for him to be retained as a customer. Mr S has also offered reassurances that he poses no risk to Nationwide.

We asked Nationwide about its previous requests for information from Mr S and it confirmed having the information Mr S provided during these earlier reviews. Nationwide explained that this time it didn't need anything more from Mr S, despite him offering to address its concerns. Nationwide says it decided to close Mr S' account based on its most recent review. Given what I've explained above, I'm satisfied this was fair.

I empathise with Mr S, given the stress and inconvenience he says he experienced because of Nationwide's decision. I also appreciate that it's caused him and Ms M to face uncertainty around their banking arrangements. Mr S wants Nationwide to reverse its decision. But given I've concluded that Nationwide reached its decision fairly, I can't fairly instruct that it now changes this decision.

To conclude, I'm satisfied Nationwide acted fairly when it decided to close Ms M's and Mr S' account.

My final decision

I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M and Mr S to accept or reject my decision before 25 October 2024.

Abdul Ali
Ombudsman