

The complaint

Mr K and Mrs M complaint that Nationwide Building Society did not provide adequate notification that it was blocking and closing their joint accounts.

What happened

Mr K and Mrs M held a number of accounts (both joint and sole) with Nationwide. They included a joint Flex account – the name given to Nationwide’s personal current account. This complaint primarily concerns that account. Mrs M’s daughter holds a power of attorney on behalf of her mother.

In September 2022 Nationwide contacted Mr K with some questions which it said it needed to ask to meet its “know your customer” obligations. In the meantime it blocked the joint account. Mr K answered Nationwide’s questions; the account was blocked between 1 and 9 September.

Nationwide blocked the account again in April 2023. It then gave notice to Mr K that it was closing the account with immediate effect. That meant that, from around 11 April 2023, direct debits and standing orders were returned unpaid. Funds in the account were paid to Mr K a few weeks later.

This complaint has been pursued primarily by Mrs M on behalf of both account holders. She has been represented from time to time by her daughter. She says that she was not properly informed about the blocking of the account or its closure, and that she has not received any correspondence generally.

One of our investigators considered what had happened. She thought that Nationwide’s correspondence had been inadequate. In an initial assessment she said:

“I can’t see that Nationwide sent any correspondence to Mrs M about what was happening, even though she wrote to Nationwide to request correspondence. I think this is wrong, as I would expect a business to communicate clearly with all account holders. Mrs M has explained that she didn’t understand what was happening which caused anxiety and distress.”

The investigator recommended that Nationwide pay £150 by way of compensation.

Mr K and Mrs M did not accept the investigator’s recommendation and asked that an ombudsman review the case. Nationwide acknowledged the assessment but did not say whether it was prepared to make an offer in line with the investigator’s recommendation.

I reviewed the complaint and, because I thought it likely that I would reach a different conclusion from that reached by the investigator, issued a provisional decision, in which I said:

Mr K and Mrs M have indicated that they accept that Nationwide was entitled to block and then close the account. I do not therefore need to discuss that issue any further, but, for the

avoidance of doubt, I agree that it acted fairly in line with the account terms in deciding to do that. The complaint is rather that Nationwide did not communicate with Mrs M. That was also the basis on which our investigator thought compensation was appropriate.

When submitting our complaint form, Mrs M said:

“Nationwide has never contacted me personally about this, they have not requested any information from me or notified me in advance that they would be carrying out an account review.

The joint account holder, [Mr K], and my daughter [...], have both liaised with Nationwide on numerous occasions and asked for them to send correspondence to me, including a final letter, which I have still not received. Only one account holder ([Mr K]) received any contact from Nationwide, including a request for further information for the account, freezing of the account and the subsequent reinstating of the account. Thereafter, the account continued to operate as usual and the joint account holder heard nothing further from Nationwide. About 7 months later, in April 2023, my daughter and [Mr K] informed me that the account had been frozen.

[Mr K] received a letter to go into branch to withdraw the remaining funds, in excess of £5000, which he did. I never received any correspondence about this.”

Mr K and Mrs M have different addresses. The address registered against the account is Mr K's address, and his is the first name on, for example, account statements.

The account terms included a section headed “How to use your account” which includes the following statement:

“How will you contact me?”

When we contact you for service and operational reasons, such as telling you about changes to terms and conditions, sending you information, letters or notices, we'll use any contact details we have for you. This includes your postal address, your telephone numbers and your e-mail address. We may also send you messages within or via the Internet Bank or Banking app.

On joint accounts, we'll send this information to the address or contact details of the first person named on our records only, even if you live at different addresses, unless we are required by Law to contact you both.”

Whilst Mr K and Mrs M have brought this complaint jointly – as they must, because it concerns a joint account – it is in reality a complaint about Nationwide's treatment of Mrs M.

I accept Mrs M's evidence that Nationwide did not contact her directly about important developments on the account. But her complaint acknowledges that Nationwide did contact Mr K (the first-named account holder) and her daughter (who holds power of attorney).

The account terms said clearly that, for joint accounts, Nationwide would communicate with the first-named holder. Since that is what it did, I do not believe that I can fairly say that it acted inappropriately or unfairly.

Nationwide had nothing further to add. Mr K and Mrs M did not respond to my provisional decision by the deadline of 10 October 2024.

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.

As neither party has provided any further evidence or arguments for me to consider, I do not believe there is any good reason for me to reach a different conclusion from that which I set out in my provisional decision. In saying that, I stress that I have rereviewed the case in full before issuing this decision.

My final decision

For these reasons, my final decision is that I do not uphold Mr K's and Mrs M's complaint.

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

Mike Ingram
Ombudsman