

The complaint

Mrs J and Mr J are unhappy that Nationwide Building Society didn't send them a chargeback form, they blocked a payment and later closed their account. They'd like compensation for the impact caused.

What happened

Mrs J and Mr J had an account with Nationwide.

On 14 March 2023 Mrs J and Mr J travelled to India. However, on arrival at their hotel they were advised that their payment had failed. And the hotel didn't have any vacancies.

To find accommodation to stay in Mrs J and Mr J had to purchase a more expensive hotel at short notice – and experienced significant distress as a result.

Mr J, on behalf of Mrs J and Mr J, raised a complaint to Nationwide. Mr J advised that because the payment had been blocked, he had to book his family into a hotel which cost three times the amount. And he'd already told Nationwide he was going to India so they shouldn't have blocked it.

On 2 May 2023 Nationwide responded to their complaint, partially upholding it but also issuing Mrs J and Mr J with an immediate notice to close, due to abusive behaviour by Mr J. Nationwide accepted that due to an internal error they hadn't notified Mrs J and Mr J about the block – as they should have done. And this caused them some inconvenience. For this reason they made an offer of £50 compensation.

On 13 June 2023 Mr J phoned Nationwide to raise a chargeback dispute about the new hotel. Nationwide advised Mr J they'd send him a chargeback form to process this – but Mr J didn't receive one.

Mr J wasn't happy with Nationwide's response so brought the complaint to our service. He complained that Nationwide blocked their account, failed to send him a chargeback form and acted unfairly in closing their account.

One of our Investigators looked into Mrs J and Mr J's complaint. Having reviewed everything they thought Nationwide acted fairly in closing their account, but thought they should offer an additional £50 for failing to notify Mrs J and Mr J about the block.

Nationwide agreed but Mr J didn't.

In summary Mr J said that he thought the compensation offered wasn't sufficient. So it was referred to me to decide.

On reviewing Mrs J and Mr J's decision I came to a similar conclusion to our investigator but expanded on the reasoning. I thought Nationwide had acted unfairly in failing to notify Mrs J and Mr J about the initial block and not being clear in explaining the chargeback progress. But I still thought that £100 compensation was fair for the inconvenience caused. I gave both parties until 12 December 2024 to respond.

Nationwide responded to advise they had no further comments.

Mrs J and Mr J didn't respond to my decision.

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.

In my provisional decision I said:

Account block

Nationwide haven't been able to provide the exact reason that Mrs J and Mr J's account triggered their fraud detection system – which led to the block. However, this doesn't mean the trigger and the block itself was unfair. Nationwide have numerous regulatory responsibilities which they need to comply including to protect their customers from financial harm. I'm satisfied that Mrs J and Mr J's account activity fairly triggered the block – so I can't say the initial block itself was unfair. But, as Nationwide have accepted, they didn't contact Mrs J and Mr J and notify them about the block due to an error. Which caused Mrs J and Mr J some inconvenience.

Mr J's highlighted that he spoke with the branch about their use of the card in India prior to the trip. And they advised him this wouldn't be an issue. Nationwide haven't been able to provide any notes about this, and I find Mr J's version persuasive. But, even if the branch did advise him of this it doesn't mean Nationwide's responsibilities to protect him and Mrs J from fraud or financial harm are removed. This means certain account activity would still fairly trigger their fraud detection system. Which I'm satisfied happened in Mrs J and Mr J's case.

I understand this will disappoint Mrs J and Mr J but I can't safely conclude that Nationwide's error led to them unfairly losing the accommodation, or having to purchase a hotel which was three times the price.

Chargeback

Mr J explained that he asked to raise a chargeback on a call with Nationwide on 13 June 2023. During the call Nationwide advised him that they'd send him a chargeback form to allow him to make a claim to be reimbursed for the second hotel they booked. However, Mr J argues they didn't receive this. I asked Nationwide to provide evidence that they sent a chargeback form to Mr J – as he requested. But they haven't been able to do this. Nationwide have argued that as Mr J's account was closed they wouldn't have sent him a chargeback form to fill out. But, this seems contradictory to what Mr J was told over the phone. On balance, I can't conclude that the chargeback form was sent to Mr J as he requested, and I can't accept that this was because it wasn't part of Nationwide's process. If that's the case, then I would have expected Nationwide to clearly outline the steps Mr J needed to take to raise a chargeback at the time.

I've moved on to consider the impact of Nationwide's failure to be clear with Mr J about how he could go about raising a chargeback. I understand that Mr J wanted to raise a chargeback to claim back the funds they spent on the alternative hotel in India. However, my understanding of this is that Mrs J and Mr J stayed at that accommodation and haven't raised any specific concerns which would lead to a chargeback being successful. I understand this will disappoint Mrs J and Mr J but I can't safely conclude that if a chargeback had been raised they had a reasonable prospect of success. So, it follows I won't be asking Nationwide to refund the hotel cost.

Account closure

At times, following a review, banks sometimes choose to end their relationship with customers. Nationwide explained to Mrs J and Mr J that their account was closed as Mr J was abusive over the phone on several occasions.

Nationwide have provided our service with a copy of their verbal and aggressive procedure document. I've reviewed this and considered their actions in closing Mrs J and Mr J's account with immediate notice.

Nationwide have explained that Mrs J and Mr J's account was closed due to verbal and aggressive incidents which occurred in December 2021, May 2022, July 2022 and April 2023. I've reviewed the evidence they've provided to show this including verbal and aggressive reports for the incident in December 2021, and warnings issued for the incidents in May and July 2022. I'm satisfied the evidence shows that on several occasions Mr J has been abusive over the phone with Nationwide staff.

I've listened to two calls which took place on 15 April 2023. Nationwide were unfortunately unable to provide a copy of the call which took place on 26 April 2023. Having listened to the call I'm satisfied that Mr J's behaviour was aggressive and distressed the call handler. I noted that he dominated the conversation, wouldn't let the call handler speak and said "I'm going to make sure you get the sack".

Looking at Nationwide's verbal and aggressive procedure document – which includes a list of reasons for when it's reasonable for an account to be closed – and the incidents which occurred between Mr J and Nationwide since 2021 I'm satisfied Nationwide have acted fairly here and in line with their policy.

Our Investigator recommended that Nationwide increase the offer they made in failing to notify Mrs J and Mr J about the block on their account. I've also concluded that Nationwide caused Mrs J and Mr J inconvenience in advising Mr J that they'd send him a chargeback form – but not doing so. I've considered the impact of Nationwide's failings on Mrs J and Mr J and I'm satisfied that a total of £100 is fair compensation for the inconvenience they experienced.

Nationwide responded to my provisional decision without further comment. Mrs J and Mr J have yet to respond. As there's nothing further for me to consider I see no reason to change the outcome I reached in my provisional decision.

Putting things right

I've considered the impact of Nationwide's failings on Mrs J and Mr J and I'm satisfied that a total of £100 is fair compensation for the inconvenience they experienced.

My final decision

My final decision is I partially uphold Mrs J and Mr J's complaint and direct Nationwide Building Society to:

- Pay Mrs J and Mr J £100 compensation

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J and Mr J to accept or reject my decision before 13 January 2025.

Jeff Burch
Ombudsman