

## **The complaint**

Mr R complains Nationwide Building Society unfairly blocked his accounts and then closed them. He wants compensation for how this impacted him.

## **What happened**

Mr R held two savings accounts with Nationwide. In April 2023 Nationwide carried out a review on his accounts and placed a block on them. They asked him a variety of questions, and about the source of £70,000 he deposited into his accounts a number of months before.

Mr R wanted to know the reasons behind Nationwide's questions, which they refused to give. He says the source of the deposits was from the sale of a property in his name, and that he moved the sale proceeds to several accounts because he wanted to ensure the funds were protected by the £85,000 deposit protection limit.

He says he offered to take proof of the sale to branch, but he didn't want copies of his information retained. He says he didn't trust Nationwide due to a previous matter when he missed a mortgage payment for a mortgage he had with them, and they "blacklisted" him. He said they should have contacted the bank where the money came from to verify the source of the deposits.

Nationwide completed their review and closed his accounts, releasing the funds they held to him.

Our investigator concluded:

- Nationwide required information on Mr R and his deposits in line with their legal and regulatory obligations. The relevant terms and conditions enabled them to block the accounts during this period. The terms did apply to him, and they didn't require his signature.
- Mr R refused to provide Nationwide what they needed, after which they completed their review and decided to close his accounts. This was in line with their terms and conditions.

## **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.

I've decided not to uphold Mr R's complaint. I'll explain why.

I've listened carefully to what Mr R has said. He feels strongly about Nationwide's actions, and that he's been treated unfairly. But after considering all the information and evidence available, I find Nationwide acted reasonably.

Nationwide have important legal and regulatory obligations they must meet when providing

accounts to customers. Those obligations are ongoing and don't only apply when an account is opened. Part of their obligations can broadly be summarized as a responsibility to know their customer and verify their sources of income and transactions.

Nationwide will review accounts to comply with their responsibilities. And, it's common industry practice for firms to restrict access to funds to conduct a review - doing so helps prevent potential harm that might otherwise result. I'm satisfied Nationwide were entitled to ask Mr R for a copy of the deed of sale, and other questions about his income.

Mr R said he would have understood Nationwide's actions if he paid the full amount of proceeds of sale into his Nationwide accounts being as this was much larger. But I don't find the size of money he deposited insignificant or of a nature which ought not to trigger a review.

Mr R wanted to know Nationwide's reasons for their review. But it was self-evident they were reviewing him as their customer, and they wanted to verify the payments he deposited. I don't find they needed to reveal their full reasons and there was a legitimate basis for them not to discuss them with him. I understand he initially may have thought the call from Nationwide was a scam, but it would have later become clear it wasn't and that he was genuinely being asked to provide information .

Mr R didn't trust Nationwide due to prior experiences with them, and he didn't want to let them retain copies of documents he could provide. But I find Nationwide weren't unreasonable in requiring copies. They may have needed to review what he presented further and retain it for legitimate reasons.

Neither do I find Nationwide needed to contact the bank from where the money was sent, despite Mr R's thoughts to the contrary. Instead, it was reasonable to expect him, as their customer, to establish the origin of the payments into his account. He was best placed to provide and obtain the information to verify the sale of a property in his name. Also, the sending bank may not have had a copy of the deed of sale, so contacting them for information may not have been fruitful.

I've reviewed Nationwide's actions when carrying out the review, and I find they completed their review without undue delay. And, as Mr R didn't comply with Nationwide's request, I also find it was fair for them to close his accounts.

Mr R understandably found the situation challenging. It's not uncommon for customers to feel they are being treated unfairly when their accounts have been blocked and they are being asked to prove where their funds derive. But while I was sorry to hear how he was impacted; I find Nationwide's responsibilities were overriding. They were entitled to block his account and ask him to provide evidence to verify his deposits.

Mr R says the original terms of his accounts said there would be no checks on them, he wasn't sent notice of later changes to terms and conditions, and he didn't agree to them. But bank and building society accounts often have changes to their terms and conditions, which happen automatically after notice is given and they don't require a customer's signature. Changes occur periodically to reflect changes to the legal and regulatory landscape and firm's commercial offering.

On balance, I find it less likely Mr R wouldn't have been sent notices of changes to the terms and conditions of his accounts, given he said one of the accounts opened in 2013. And I find it unlikely Nationwide's original terms would have said they wouldn't carry out checks. I say this because they still had responsibilities to monitor accounts in compliance with legal and regulatory obligations at that time.

**.My final decision**

My decision is I am not upholding Mr R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 1 September 2023.

Liam King  
**Ombudsman**