

The complaint

Mr H is unhappy Nationwide Building Society (Nationwide) blocked his crypto transaction and proceeded to block his account.

What happened

On 16 October 2022 Mr H tried to make a crypto transaction. Nationwide blocked the payment and contacted Mr H so they could ask some questions about the transaction. Mr H answered some questions but was on holiday at the time and eating lunch so wasn't keen on answering all their questions. Due to this Nationwide said Mr H would need to present at branch with proof of ID and investments and advised the account would remain blocked. Mr H ended the call at this time.

Mr H called back the same day but was informed his call wouldn't be transferred to the relevant department and he would need to go to branch with ID and evidence of investments when back in the UK.

On 19 October Mr H called Nationwide and explained he was back in the UK but couldn't get to branch as he was unwell. He also explained that the block on the account had ruined his holiday as he couldn't get cash out, pay for meals and had to borrow money from friends. The adviser explained they required evidence of investments and provided details of how Mr H could send that to them. They also explained it can take up to 48 hours for the evidence to be reviewed once received.

On 20 October Mr H called Nationwide and explained he had sent the information requested. He was informed it was with a case handler and they would call him. Mr H explained he was unable to buy food. The adviser confirmed the information was with the case handler and they would call him back. Nationwide tried calling back that day but couldn't get through to Mr H.

Mr H called them again on 21 October and was told the case handler had tried calling and would call him back. Nationwide did attempt a call with Mr H on 21 October but was unsuccessful in reaching him. The relevant team doesn't work over the weekend and Nationwide informed Mr H of this when he called. The case handler tried to call twice on 24 October and was successful in reaching Mr H on the later call. At this point the case handler asked the required questions and was satisfied with the information Mr H had provided so he removed the block from the account albeit with a warning around the risks of the block being removed.

Mr H made a complaint about his account being blocked and with the way the situation was handled. Nationwide didn't feel they'd done anything wrong blocking the account and that the agent had handled it as expected.

Remaining unhappy Mr H referred his concerns to this service. Our investigator didn't think Nationwide had done anything wrong so didn't uphold the complaint. As Mr H remains unhappy it's 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.

The account terms and conditions say:

*“Our rights – Stopping money being paid into or being taken out of your account.
We can suspend or cancel your right to use cards (including card details in e-wallets or on devices such as mobile phones), PIN(s), Telephone Banking, Internet Banking or our Banking app if we think it is reasonably necessary because:
a) we are concerned about their security, or
b) we believe that it is necessary for your and/or our protection, for example where we suspect the card is being used or may be used for fraudulent purposes or in an unauthorised way, or....”*

So Nationwide are entitled to block the transaction and or account where they think the account may be at risk. At the outset Nationwide explained why they needed more information – to rule out fraud and scam. And they explained as Mr H had been a victim of a scam before they needed to protect the account from any potential loss.

Whilst I understand it may not have been a convenient time to answer all Nationwide's questions, as he wasn't fully cooperating during the first call this likely provided Nationwide with more cause for concern which is why they continued to block the account and asked Mr H to present at branch with ID and proof of investment.

I understand it would've been difficult for Mr H being in another country without access to his funds. However, Nationwide had tried to obtain the information they needed in order to assess the situation fully so they could be satisfied the account wasn't at risk. As Mr H wasn't initially forthcoming this led to the requirement for him to present at branch.

When Mr H returned to the UK and advised Nationwide he was unwell so couldn't present at branch. They arranged for him to email the evidence required so they could assess it and call him back to discuss. This was reasonable in the circumstances.

Mr H had tried to call Nationwide on a number of occasions and wasn't able to speak to the relevant department. I can understand this would be frustrating for him; however, they had passed on messages for the case handler to call him back and I can understand why they wanted to call him directly as this adds to the security of the account. The case handler attempted to call Mr H on a number of occasions, but the calls went unanswered. And it wasn't until 24 October they managed to get through to ask further questions.

I understand from Mr H perspective this was a simple transaction he had tried to make and he feels Nationwide have dealt with it disproportionately. However, it is Nationwide's responsibility and obligation to protect the account. And given that Mr H was a victim of a scam before, they needed to be extra cautious to satisfy themselves that this wasn't linked to a scam in anyway.

Whilst I understand the difficult situation Mr H was in after his account was blocked, had he been more cooperative at the outset, it may have resolved quicker than it did. But I'm satisfied the actions Nationwide took were fair and reasonable in the circumstances and in the best interests of Mr H's account.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 24 August 2023.

Karin Hutchinson
Ombudsman