

## **The complaint**

Mr E complains that Nationwide Building Society unfairly closed his accounts.

## **What happened**

Between 24 November and 6 December 2022, Nationwide had cause to record three verbal and aggressive behaviour reports concerning Mr E's contact with its consultants. In particular during a call to its Contact Centre, it said that he used inappropriate language and called its consultant offensive names. It warned that this type of behaviour, if continued, could ultimately result in the closure of his accounts.

Mr E raised six complaints with Nationwide over the period 6 December 2022 to 7 March 2023. On the latter date it wrote to him to say that it was closing his accounts. It said that on review of his accounts it took the view that Mr E wasn't happy banking with Nationwide and that the relationship between them had broken down. It also took account of the fact that Mr E had three accounts with Nationwide, none of which he used. It also referred to his unacceptable behaviour in phone calls. It gave him two months' notice of its intention to close the accounts.

Mr E agreed that the relationship had broken down, however he didn't think it fair for Nationwide to close his accounts. This was because if Nationwide decided to demutualise anytime in the future, his accounts, because of when they were opened, would entitle him to shares. So he would lose the benefit of those shares if his accounts were closed. He proposed that he would accept the closure of the accounts if Nationwide would pay him £500.

Nationwide confirmed that it had no present intention to demutualise but asserted that it had the right to close his accounts. It declined to pay him compensation.

On referral to the Financial Ombudsman Service, our Investigator said that we could not take account of any possible future loss. But that Nationwide was entitled to close the accounts according to the terms and conditions of those accounts, as long as it gave reasonable notice.

Mr E did not agree and pointed out that such a decision would give Nationwide the right to close all accounts with it that held the right to shares. He offered as a compromise to accept a document from Nationwide stating that if it demutualised at any time in the future it would issue shares to him based on the principle that he held a qualifying account.

The matter has been passed to me for further consideration.

## **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 our Investigator has pointed out, the Financial Ombudsman Service is an alternative

dispute resolution service. Our function is to resolve complaints informally. The decision that I make, whilst taking any relevant law into account, is ultimately based on what in my opinion is fair and reasonable in the circumstances of the complaint. My consideration of Mr E's complaint concerns the particular circumstances of his complaint. It is not intended to take account of how Nationwide might close any other accounts.

Under the terms and conditions of the accounts Mr E held with Nationwide, it was entitled to close the accounts on giving 60 days' notice. It gave Mr E that notice, so I can't say that it acted unfairly in processing the closure. Nationwide didn't have to give Mr E reasons for closing the account but it has done in this case. The reasons that it gave were:

- It's clear he was unhappy with many elements of the service it's able to provide.
- It's clear the relationship had broken down irretrievably and therefore it felt it was not the right banking provider for him.
- Furthermore, it had previously warned him about his behaviour on telephone calls with it. Despite this warning he had continued to show unacceptable behaviour with the language he used.
- He didn't use the accounts he had with Nationwide.

I understand Mr E also accepts that the relationship had broken down. The only reason he wishes to keep the accounts is to maintain a right, if Nationwide decides to demutualise at anytime in the future to receive shares.

I think Nationwide acted appropriately in making the decision to close Mr E's accounts. It has confirmed that it has no present intention to demutualise, so I don't think that can be taken into account as a possible reason for closing the account. I also don't think it would be appropriate to say that Nationwide should Mr E immune from having his accounts closed just because they might possibly be entitled to a benefit sometime in the future. Mr E is of course entitled to reject my decision should he wish to issue legal proceedings against Nationwide.

### **My final decision**

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 4 December 2023.

Ray Lawley  
**Ombudsman**