

The complaint

Mrs M complains Nationwide Building Society unfairly limited access to her main account, and provided very poor customer service both to her, her son and personal assistant when she wanted to withdraw funds. She wants an apology and compensation for the losses and distress they all experienced.

What happened

Mrs M held accounts with Nationwide. Her son, who I'll refer to as Mr M, holds a lasting power of attorney (LPOA) for her property and financial affairs, and Nationwide registered him as her LPOA in 2020.

Mrs M via her son says her son only ever acted on her instructions when accessing her accounts and didn't manage the accounts on her behalf. Mrs M has a medical situation which affects her mobility, and her personal assistant and son attend to her care needs.

In February 2022 a very large sum credited Mrs M's main account derived from the sale of a second property she owned. Shortly afterwards Mr M attempted to make a £15,000 payment which Nationwide rejected. Nationwide then placed limits on what money could be withdrawn from the account and how, while they carried out a review. The restrictions were temporarily lifted in early March 2022 and reapplied later that month following further account activity which caused them concern.

Mrs M and her son say the £15,000 payment was to reimburse her son's expenses. Her income had reduced due in part to her second property no longer being tenanted. So, her son, whose income had also reduced, used part of his savings as a loan to pay for her care and other costs while they awaited the sale of the property.

Nationwide's review completed at the end of July 2022, and Mrs M's account was unblocked.

Mrs M complained to Nationwide on several occasions during this time. She detailed numerous instances of where she feels she was treated unfairly. And, although I haven't found it necessary to list everything here, I've considered all the aspects Mrs M and her son have raised, as set out in their correspondence and emails to our service and their correspondence to Nationwide, including a solicitor's letter which was sent in late March 2022.

In summary, Mrs M's unhappiness is centred on not being told why her account was restricted, not being able to access a greater amount of funds to pay for important things, and feeling she was treated insensitively and with insufficient care in branch.

Nationwide concluded they were right to place restrictions on spending while an investigation was underway, but they paid Mrs M £50 for not offering her a seat on one of her initial visits to branch.

Our investigator decided not to uphold Mrs M's complaint. They said:

- Nationwide had a responsibility to protect vulnerable customers from potential exploitation. Prior to the large deposit, there were regular instances of cash withdrawals from Mrs M's main account which left insufficient funds to pay several direct debits. This was enough for Nationwide to form a concern about the account and Mrs M's situation.
- It was reasonable to place restrictions on the account while they carried out a review. Mrs M felt she was treated rudely by the branch manager of the branch she attended on multiple occasions and found Nationwide's payment refusals unreasonable and very upsetting. But while the restrictions clearly impacted Mrs M, they were done for the purpose of her protection. Nationwide wanted to ensure any spend was actually in her best interests and related to her own costs, particularly as the level of requested spend exceeded her normal monthly income.
- The initial decision not to pay funds to Mrs M's personal assistant was also understandable in the context of Nationwide's concerns.
- Mr M and Mrs M's personal assistant weren't eligible complainants in relation to the complaint Mrs M brought. So, the impact Nationwide's actions had on them wasn't something our service could consider.

Mrs M via her son rejected the outcome our investigator reached. She asked for a final decision from an ombudsman, so her complaint was given 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.

I've decided not to uphold Mrs M's complaint. Before I go on to my findings on the merits of the complaint, I need to be clear that I can only consider losses which pertain to an eligible complainant, and which arise from the qualifying relationship they hold with a firm. Unlike a court of law, our service's jurisdiction is limited. Our powers are primarily set out in the Dispute Resolution Rules (DISP), which form part of the Financial Conduct Authority's regulatory handbook.

One of the requirements for someone to bring a complaint to our service is that they qualify as an eligible complainant. Here, only Mrs M is the eligible complainant and not her son or other persons. This is because Mrs M holds the qualifying relationship under DISP with Nationwide as their customer for her account. And while Mr M is authorised by law to act on her behalf, he is not Nationwide's customer receiving a financial service in his own right in relation to that account. As Mr M states himself he was always acting on Mrs M's instructions.

Mr M had his own account with Nationwide, but the losses he is claiming do not arise from that customer relationship. So, I cannot consider the losses he experienced dealing with the matter on his mother's behalf, the losses experienced by Mrs M's personal carer, or the losses of Mr M's partner.

I'll now go on to explain why I've decided not to uphold this complaint.

- Nationwide have an important responsibility to monitor accounts to detect and prevent harm, such as identifying or preventing crime. But their responsibilities also extend to identifying vulnerable customers and whether they may be at risk. Where concerns arise, it's common practice for firms to block or limit accounts to carry out a review. This mitigates against possible losses that could happen should preventative action not be taken while investigations either by the firm or other external actors take place.
- Mrs M's son is her LPOA for her property and finances, although he says he was not managing his mother's account but only ever acting on her instructions. But unfortunately, we live in a world where economic and financial abuse can occur, and this is increasingly a factor for firms to consider when monitoring accounts and interacting with customers and their representatives. This would include considering the actions of persons with fiduciary responsibilities who have access to customer accounts, such as power of attorneys, like Mr M.
- The OPG investigated Mrs M's mental capacity as to whether she could make decisions for herself, and they found based on the findings of a Court of Protection Officer that she did. But mental capacity isn't the only factor when considering possible concerns about a customer and their situation. For instance, customers can be financially or economically taken advantage of even when they have capacity due to the influence other persons may have over them and their finances, irrespective of the legal authority those persons have in place.
- I've reviewed Nationwide's reasons for blocking the account. I find them reasonable and robust. A payment of £15,000 was attempted following a very large credit to Mrs M's account, which was significantly different to her normal account activity. Mr M says the attempted payment was to reimburse his loss in savings. And while that may very well have been the case, unlike the OPG and their investigative powers or social services, it would have been difficult for Nationwide to safely conclude whether this was in line with his responsibilities as power of attorney and it would also be difficult to assess Mrs M's wider circumstances.
- I also find the matter of previous large cash withdrawals which left insufficient funds to pay direct debits, unusual. Mrs M and her son were apparently unaware of the missed direct debits, and Nationwide didn't indicate there was a problem at the time. But this doesn't mean the activity wasn't a valid concern. The fact that Mrs M wasn't aware that transactions left insufficient funds in her account to meet her debit obligations indicates a lack of awareness about how it was being managed and potential reliance on others. Similarly, the large sum withdrawn via multiple ATM withdrawals after the property sale proceeds credited the account prior to it being restricted were understandably a valid cause for concern.
- Mrs M wanted to know what the reasons were behind Nationwide's review and the restrictions they had place, but Nationwide were not under an obligation to reveal them. Neither did they need to give prior notice of their decision to restrict the account, as this would have afforded opportunity for funds to be moved from the account prior to the review being completed, thereby compromising the premise behind the review.

- Nationwide unblocked Mrs M's account in early March 2022 and then re-imposed the restriction in the middle of that month. During the short period the account was unblocked over £3000 was withdrawn at ATMs, which was again significant activity. Nationwide's notes indicate Mr M had withdrawn the funds and he wasn't able to provide evidence to establish what it was for despite previously being informed he needed to retain evidence. So, I understand why Nationwide took this decision and I don't find it was unfair.
- I've carefully considered Mrs M's circumstances and it's clear that attending branch was a considerable imposition. But in the context of Nationwide's concerns, I understand why it was important to discuss matters with her privately at the beginning to ascertain how she was presenting and her awareness of previous and proposed spend.

Mrs M and her son emphasize the branch manager they communicated with made an inappropriate comment that Mrs M had to choose between heating and eating. They are adamant about this, but I see the branch manager is equally adamant that they didn't say this. As there isn't a way to verify independently and reliably what was and wasn't said, I cannot on the balance of probabilities conclude Mrs M was talked to inappropriately or insensitively.

- Nationwide agreed later on in March 2022 to allow a set sum to be withdrawn weekly by Mrs M's son in his capacity of LPOA, but that any further requests would need to be approved separately. I realise Mrs M, her son, and her son's partner found this challenging. But I don't find Nationwide needed to forgo their concerns or agree to all the proposed additional spend without persuasive evidence that it represented essential costs for Mrs M's benefit when their review had yet to complete.

I understand this meant Mrs M wasn't able to carry out the spend that she would have wanted. But, while I empathise with her situation, especially considering how she wanted to commemorate her late husband's birthday, I'm not awarding her compensation because of the distress this caused.

Neither do I find Nationwide had to release more funds based on what Mrs M has said about not being able to access her full pension and benefit payment, when Nationwide were concerned about those funds potentially not being used by her or for her benefit.

- One of Mrs M's main concerns was she couldn't pay her personal assistant for a significant period of time after the account was first restricted. I understand why this caused upset given what has been said about her close personal connection with her assistant, and the financial impact this is said to have had on them.

But after considering the wider context of Nationwide's concerns in relation to previous transactional activity on her account, her assistant not previously being registered with HMRC and not having invoices, as well as other information Nationwide presented, I understand why they didn't allow payments until they had stronger and independent assurance. On reviewing their actions, I don't find they acted unreasonably before deciding to allow direct payments to the personal

assistant.

- Mr M says that on one occasion Nationwide overpaid the personal assistant who then dutifully returned the payment to Mrs M. I'm glad to hear this payment was returned, but I don't find this occurrence undermines the other actions Nationwide took in relation to their concerns over Mrs M.
- I've considered what Mr M said about what happened to Mrs M because of how long she was waiting for receipts to be reviewed on one occasion. Our investigator asked for more information on this point from Mr M. As no further information was provided, I haven't found Nationwide acted unfairly.
- Mr M complained that his mother couldn't access the £50 compensation Nationwide paid for not offering Mrs M a seat sooner. But at that time, Nationwide's review was still underway, and the payment was not an acknowledgement that the restrictions on Mrs M's account were unfair. I don't find the payment needed to be immediately accessible to Mrs M at that time.
- Mr M said Nationwide took too long to unblock Mrs M's account after receiving a letter from the OPG. But I don't find Nationwide's review was solely contingent on whether the OPG confirmed Mrs M had capacity. Instead, I see they acted promptly to unblock the account at an appropriate time and their decision wasn't solely based on the OPG's letter.
- I appreciate Mrs M was upset about being visited by a Court of Protection officer, a social worker, and a police officer. But I don't find Nationwide acted unfairly by contacting third parties best placed to assess Mrs M's situation given their concerns, and I don't find they are responsible for the actions of those parties.

My final decision

My decision is I don't uphold Mrs M's complaint for the reasons I've given above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 5 February 2024.

Liam King
Ombudsman