

The complaint

Mr S is complaining that Nationwide Building Society closed his accounts without his permission.

What happened

Mr S held a Flex account and a Help to Buy ISA with Nationwide.

On 31 October 2022 Mr S visited a branch of Nationwide. He told the adviser he'd wanted to close his Help to Buy ISA online. But it appeared his Flex account had been closed instead.

The adviser looked into what had happened. They told Mr S his Flex account had been closed through online banking on 27 October 2022, by transfer into his Help to Buy ISA. But because the allowance on the Help to Buy ISA had been reached for that month, the closing balance had been sent out by cheque. They said they couldn't reopen his Flex account, but they'd open a new one for him.

On 3 November 2022 Mr S visited the branch again to pay the cheque into his new Flex account. But when the adviser checked his accounts, they realised the new Flex account had also been closed. Mr S said he hadn't asked for the account to be closed.

The adviser contacted Nationwide's IT department to see if something had gone wrong with Mr S's accounts. The IT department replied to say they'd looked into things, and the requests to close the accounts had come from Mr S's online banking, on his home computer.

Mr S complained to Nationwide. He said, in summary, that he hadn't requested for the accounts to be closed, so Nationwide had closed his accounts and transferred his funds without his permission.

Nationwide replied to Mr S's complaint. They said that Mr S's accounts had been closed online, and the IP address corresponded with his home address. They said that the funds were transferred to his savings account when his account was closed, in line with the closure request.

Our investigator looked into Mr S's complaint but she didn't uphold it. She said, in summary, that Nationwide were acting on online banking instructions from Mr S's IP address, so they hadn't made an error. Mr S didn't agree. He replied with a copy of the online banking activity log report he'd received from Nationwide. He said that it didn't show the requests to close his accounts. And he reiterated that he hadn't given permissions for his funds to be transferred from his second Flex account to his Continue to Save account on 3 November 2022.

He asked for an ombudsman to review his complaint.

Mr S's complaint was passed to me for review and a decision.

I issued my provisional decision on 4 July 2023. This is what I said.

I've reviewed the report of the activity on Mr S's online banking, which Nationwide has sent

to us to help with the investigation. I can see that a “close product” request was made for Mr S’s Flex account at around 23:08 on 27 October 2022. And another “close product” request was made at 13:50 on 2 November 2022. This was for the Flex account that had been opened for Mr S following the closure of the first Flex account.

I’ve also looked at the more detailed closure instructions received by the staff members who actioned the closures after the closure requests were made online. The first of these is an instruction to close Mr S’s Flex account and pay the balance to his Help to Buy ISA, which was completed on the morning of 28 October 2022. The second is an instruction to close Mr S’s new Flex account and pay the balance to his Continue to Save account, which was completed on the morning of 3 November 2022.

The requests appear to have been made from two different IP addresses, but both IP addresses were used regularly by Mr S to carry out other transactions and activities on his online banking, which he doesn’t appear to be disputing carrying out. I’ve also seen evidence to show these IP addresses correspond with the general location of Mr S’s home address.

Mr S has sent us a copy of the activity report he obtained from Nationwide. He’s pointed out the report doesn’t show the request to close the Flex account on 2 November 2022. It does, however, show the request made on 27 October 2022.

I’ve cross-referenced the copy of the report Mr S sent to us with the same report we’ve received directly from Nationwide, and I can see that around 19 items of activity which are shown on Nationwide’s copy of the report for 2 November 2022 leading up to the “close product” request aren’t showing on Mr S’s version, including the “close product” request. So, it seems the report Mr S sent to us doesn’t correctly show all the activity that happened on that date.

Mr S may want to speak to Nationwide about this, if this information wasn’t included in the report he received before he sent it on to us. But, because this report doesn’t show all the activities we know occurred on that date, I don’t think the copy of the report Mr S has sent to us is enough to demonstrate that the request to close the Flex account on 2 November 2022 wasn’t made.

Overall, having reviewed everything I’ve seen so far, I’m satisfied that the requests to close both accounts and transfer the balances to other accounts in Mr S’s name were made through Mr S’s online banking account from IP addresses he used regularly. I do appreciate Mr S says he didn’t intend to carry out these instructions, but, on balance, I think it’s most likely Mr S did instruct the Flex accounts to be closed – albeit by mistake. And I don’t think Nationwide made a mistake when they acted on the instructions they received.

I’m sorry to disappoint Mr S, but I don’t think Nationwide have treated him unfairly here. So, my provisional decision is that I’m not going to ask them to do anything else.

I asked Mr S and Nationwide to reply to my provisional decision with anything they wished to add.

Nationwide replied to say they accepted my provisional decision.

Mr S replied with a number of further points. He also asked for a copy of the online activity report Nationwide had sent to us, and sent a further response after he’d seen it. I’ve summarised what I consider to be the main points of his responses below. I may not specifically address every point he’s raised, but this reflects the informal nature of our service.

Mr S said:

- It wasn't true that he asked for the account to be closed on 2 November 2022;
- The branch closed his account intentionally;
- The banking software expert could interfere with his account;
- He asked why he would close the account when he'd just opened it following the first account being closed;
- He was disadvantaged by losing his overdraft facility when the account was closed; and
- He has been caused distress by what happened, and he spent time trying to resolve it.

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.

Having done so, although I'm sorry to disappoint Mr S, I'm not going to change my provisional decision that Nationwide don't need to do anything else here.

I've considered what Mr S has said about the online activity report, and I want to be clear that I don't think, based on what I've seen, that Nationwide have interfered with his account or with the report they sent to us. I think Mr S's copy of the report is incomplete as it has a number of entries missing – not just the one in dispute. I still think the instruction to close the account on 2 November 2022 was made by Mr S.

I appreciate what Mr S has said about why he'd make an online instruction for the new account to be closed so soon after opening it, following the closure of the first account. And I accept he may not have intended to make either instruction. But as I've said in my provisional decision, I do think he made the instructions – albeit by mistake.

Overall, I'm satisfied the instructions to close the accounts were made online by Mr S and Nationwide were correct to act on them. So I don't think Nationwide are responsible for the loss of his overdraft facility, the distress caused by the accounts being closed, or the time he spent resolving things.

My final decision

My final decision is that I'm not upholding Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 10 September 2023.

Helen Sutcliffe
Ombudsman