

The complaint

Mr P complains that Nationwide Building Society wouldn't allow him to withdraw a large amount in cash from his account.

What happened

In early July 2023, Mr P visited a branch of Nationwide and asked to withdraw the entire balance of his account which was £56,000. However he would not say what the withdrawal was for as it was his money and he could do what he liked with it. His request was declined although he was offered other options such as bank transfer, cheque or faster payment.

The branch manager initially replied to Mr P that his request to withdraw the cash was not one that he could fulfil due to money laundering obligations. And because Mr P would not say what the cash was required for nor to whom it was going to be paid.

Mr P later spoke to an adviser at Nationwide and said that if a deal came up he would get more money if he paid in cash. But he declined to provide examples. It was explained to him that payments in cash could be used for tax evasion. Nationwide said that it must comply with money laundering obligations and as Mr P refused to give a plausible explanation for wanting the money in cash, it could not allow the withdrawal.

Mr P spoke to another adviser and explained the reason he wanted cash is because he didn't trust electronic transfers and he no longer wanted his money with Nationwide. And he also said he didn't trust cards and wanted to have the cash available to use instead of having to make multiple withdrawals. He was told about the risks in holding a large sum of cash at home, as this may not be covered by his home insurance policy for contents. And if this were to be lost due to theft or fire etc, he might not be able to claim it back. All of which it had to take that into account as this is part of keeping its members' money safe for them.

Nationwide also pointed out that Mr P had requested a large withdrawal in cash in 2021, which was also declined. He had made a complaint to the Financial Ombudsman Service, which was not upheld. He had however later been able to make that cash withdrawal.

On referral to the Financial Ombudsman Service, Mr P told our Investigator a little more about his investment "opportunity", but didn't want that revealed to Nationwide. Nevertheless our Investigator said that Nationwide had acted reasonably and in line with the terms and conditions of the account.

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 and whilst I realise this may be disappointing for Mr P, I am not going to uphold his complaint.

Mr P was requesting to withdraw a large sum of money. Under the terms and conditions of

the account, if a customer wishes to make a withdrawal of over £10,000, there may sometimes be questions Nationwide will ask about the funds.

Mr P is elderly and I think that Nationwide had genuine concerns about what he wanted the money for. It told him there were safer ways of accessing the money e.g. by bank transfer or cheque. However he did not want that as he did not trust electronic transfers. He has said that he no longer wishes to keep his money with Nationwide.

Mr P has spoken to our Investigator about his investment opportunity. However I don't think that any genuine opportunity would expect payment in cash, certainly not of such a large sum, and I can understand Nationwide's concerns about tax evasion. Fraud is a major problem for banks nowadays and its terms and conditions reflect its obligations to protect customers against fraud or possible scams. If Mr P doesn't want to keep his money with Nationwide there is an account switching service which it provides. But no other bank would expect to receive payment in cash.

I understand that Mr P has given assurances that he is not being scammed, involved in tax evasion or money laundering. But I don't think that, without knowing whether Mr P has good reasons for wanting to withdraw the money in cash, or to whom it is to be paid, I could expect Nationwide to go ahead and allow the withdrawal.

I further note that Nationwide has explained to Mr P the dangers of both taking a large amount of cash out of the bank and keeping such a large sum in his house.

Mr P made a previous complaint to the Financial Ombudsman Service in 2021 concerning his request made around that time also to withdraw a large sum in cash. His complaint was not upheld. I note that he was later successful in making the withdrawal, but that was not the result of any decision by the Financial Ombudsman Service.

As Nationwide has complied with the terms and conditions of the account, I think that it acted fairly and reasonably declining Mr P's request to make the withdrawal. It has offered other, safer methods of withdrawal and if Mr P wishes to go ahead and withdraw the full amount in his account, whether by cash or any other method, then it is up to him to satisfy Nationwide about what he wants the money for and who it is to be paid to.

So I can't fairly order Nationwide to carry out the withdrawal, nor to provide any compensation.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 31 October 2023.

Ray Lawley
Ombudsman