

The complaint

Miss H complains that Nationwide Building Society wrongly closed her account.

What happened

Miss H says she received a text from Nationwide saying her account was to be closed in one week. And, as she hadn't received any other correspondence, she thought the text was a scam and deleted it. She later found out her account had been closed. She complained to Nationwide about the closure of the account and the distress and inconvenience this caused.

Nationwide said that in addition to the text, a letter providing two months' notice of closure and an email reminder was sent to Miss H. But ultimately it accepted it had wrongly closed Miss H's account. It said its system had identified that the account was being used for business purposes – which wasn't the case. It acknowledged the distress and inconvenience caused, apologised, and paid Miss H £250 compensation.

Miss H didn't accept this outcome and referred the matter to this service as she didn't think £250 fully recognised the distress and inconvenience caused. One of our investigators looked into Miss H's complaint. But she didn't think Nationwide needed to take any further action. She thought £250 was fair compensation. Miss H didn't agree, and she asked for an ombudsman to consider her complaint. So, the complaint has 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.

I'm aware that I've summarised this complaint in less detail than Miss H and I've done so using my own words. I'm also not going to respond to every single point made. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this - it reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is a fair outcome to this complaint.

Having considered matters carefully, I've come to the same overall conclusion as our investigator for broadly the same reasons. I appreciate that Miss H will be disappointed as I can see how strongly she feels about what happened, so I'll explain why.

Nationwide was concerned that Miss H was using her personal account for business purposes and decided to close it. I appreciate that Nationwide later acknowledged this wasn't case – so I'll refer to this later in the decision.

Nationwide says that it gave Miss H notice of its intention to close her account on 20 March 2023 – in line with the account terms and conditions of the account, via a letter dated 13 January 2023. And it has provided a copy of that letter and I'm satisfied that the address on the letter matched the address Nationwide held for Miss H on its systems.

Miss H says she didn't get the letter as she had updated her address with Nationwide a year before this letter was sent. But I've not seen enough persuasive evidence to confirm Miss H had updated her address with Nationwide. I haven't seen anything on Nationwide's records to indicate that Miss H had requested a change of address. And monthly statements sent in the year leading up to this letter all quoted the same address as the letter. I'm persuaded that had Miss H asked Nationwide to update her address it would have done so.

I note Miss H says she didn't notice the address on her statements hadn't changed as she has opted for paperless statements. But I find it's reasonable for account holders to monitor their accounts to ensure information is accurate.

Miss H also says she didn't receive an email which Nationwide says was sent on 20 February 2023. On balance, I'm persuaded an email was sent – although, I accept it's possible it went to Miss H's spam emails so she may not have seen it.

But even if Miss H didn't receive the letter or email, there is no dispute that Miss H received a text message a week before the account was closed. Overall, I'm persuaded that Nationwide did enough to let Miss H know that it intended to close her account if it didn't hear from her before 20 March 2023.

Miss H says she deleted the text as she thought it was a scam. But given the content of the text message, I think it would have been reasonable for Miss H to have contacted Nationwide to find out whether the text was genuine. Had she done so, I'm persuaded that the account closure may have been prevented or at least the consequences would have been minimised.

But by the time Miss H contacted Nationwide on 21 March 2023 the account had been closed. Miss H has said she was without money for essential expenditure. But Nationwide has provided evidence that the account balance was paid to Miss H on 23 March 2023 - two days after the account was closed. So, I don't find that there was any undue delay in Nationwide sending the account balance to Miss H given that by the time Miss H contacted Nationwide the account was already closed.

But as mentioned above, Nationwide has accepted it made a mistake when it identified Miss H's account as being used for business purposes. Nationwide has apologised and offered Miss H £250 compensation in recognition of the distress and inconvenience caused. So, what I need to decide is if this is fair given all the circumstances of this complaint.

I note Miss H says that that some of companies she paid by direct debit threatened to impose charges. And because she was worried, she had to, leave work to sort her financial matters out and she was concerned this would have consequences on her employment. She has also referred to the potential impact on her credit file.

I accept that it would have been very worrying for Miss H when she found her account had been closed and that she had real concerns about the potential consequences. But I haven't been provided with any persuasive evidence that Miss H incurred any charges or that the matter impacted her employment or credit file. And I can't award compensation for events that didn't happen.

But I do agree Miss H was caused distress and inconvenience - she had to make alternative arrangements for her regular direct debits and credit payments which she says took a couple of weeks to sort out. Miss H has also said Nationwide provided incorrect information about the number of letters sent to her.

So, I've carefully thought about everything that happened here taking into account that the impact could have been mitigated had Miss H contacted Nationwide when she received the text message. And, overall, I'm satisfied that Nationwide's apology and £250 compensation payment fairly reflects the worry caused by the account being closed and the inconvenience of having to make new arrangements for direct debits and credit payments which took a couple of weeks to sort out. So, I won't be asking Nationwide to take any further action in respect of this complaint.

My final decision

For the above reasons, I do not uphold this complaint in the sense that Nationwide Building Society has already paid Miss H fair compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 11 December 2023.

Sandra Greene
Ombudsman