

## The complaint

Mr S complains Nationwide Building Society (“Nationwide”) restricted and then closed his account after it received a fraud claim for funds paid into it. Mr S adds the funds were legitimately his for services he carried out and they should be returned to him.

## What happened

Mr S received two credits totalling £5,500 into his Nationwide account on 7 May 2022. A short while later, Nationwide received claims from the sending bank that these were paid to Mr S fraudulently.

Nationwide blocked Mr S’ account and asked him to provide it with evidence to show his entitlement to the funds. In broad terms, he was asked to provide evidence of communication between himself and the third-party, any invoices or sales receipts, and anything else he felt supported and showed his entitlement to the funds.

Mr S explained that the payments were made to him for adult services he had provided to the third-party after meeting him in town. He sent a copy of the third-party’s driving licence which he says shows this was a legitimate transaction. Mr S says the third-party has now blocked his telephone number, so he isn’t able to contact them.

Nationwide looked into Mr S’ complaint. In its response, and in summary, it said:

- Mr S received two credits totalling £5,500 into his account on 7 May 2022. Nationwide received communication from the remitting bank raising concerns about the payments, so it opened a fraud claim and investigation
- Mr S told Nationwide the funds were received for services he’d provided to the remitter. Nationwide asked Mr S to provide evidence of this, but it didn’t receive what it had asked for
- Nationwide has decided to close Mr S’ account with immediate effect

Nationwide then wrote to Mr S to inform him it was closing his account with immediate effect. Nationwide also explained that as it had not been able to determine Mr S’ entitlement to any remaining balance, this will not be returned to him.

Unhappy, Mr S referred his complaint to this service. One of our Investigator’s looked into it, and in short, they found:

- Nationwide didn’t act unfairly when blocking Mr S’ account. It has legal and regulatory obligations to meet
- Nationwide asked Mr S to provide evidence to show his entitlement to the funds. But Mr S didn’t give Nationwide the information it requested. Because of this, Nationwide have acted fairly by not releasing any funds
- Nationwide applied the terms of the account fairly when deciding to close it with

immediate effect

- If Mr S provides the information Nationwide requested from him, it should release any funds it currently holds in his account
- Mr S was concerned Nationwide's actions have affected his credit score. But as he hasn't provided a credit report, they're not able to say this is the case

Mr S didn't agree with what our Investigator said and reiterates the funds were for service he legitimately provided. As Mr S didn't agree, this complaint has now 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.

Having done so, I've decided not to uphold this complaint. I know this will disappoint Mr S, so I'll explain why.

Banks and Building Societies in the UK, like Nationwide, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means they need to restrict, or in some cases go as far as closing, customers' accounts.

Nationwide has explained to Mr S that it received fraudulent claims from a third-party bank for funds he had received. Given the severity of this and the concerns it raises, I'm satisfied Nationwide followed its legal and regulatory obligations when restricting the account.

I would then expect Nationwide to carry out sufficient due diligence and an investigation to determine whether Mr S was entitled to the funds in dispute. I note Mr S says the funds were made up of two payments for services he had provided to the remitter after meeting him in town.

Having carefully considered this, I'm satisfied Nationwide asking Mr S to provide evidence of any communication between himself and the third-party, any invoices or sales receipts, and anything else he felt supported and showed his entitlement to the funds is fair and reasonable. Mr S provided a copy of a driving licence and screenshots of messages he says shows he has been blocked by the remitter following their report of fraud.

At this juncture, I think it's important to note that our rules allow us to receive evidence in confidence. We may treat evidence from regulated firms as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Nationwide has provided is information that we consider should be kept confidential.

Considering all the information I've seen, I'm persuaded Mr S hasn't given Nationwide, nor this service, enough information to show he was entitled to the funds. Mr S was provided with instructions on what he would need to give Nationwide, and he hasn't been able to do this. So I don't think Nationwide have done anything wrong by not releasing any funds to Mr S held in the account. It also appears Mr S doesn't have any wages or benefits paid into the account – so this isn't something I need to consider here.

I'd also add that given the value of the transactions, I'd expect to see much stronger evidence than that which Mr S has provided to show he was entitled to them.

Nationwide is entitled to close an account just as a customer may close an account with it. But before Nationwide closes an account, it must do so in a way, which complies with the terms and conditions of the account.

The terms and conditions of the account, which Nationwide and Mr S had to comply with, say that it could close the account by giving them at least two months' notice. And in certain circumstances it can close an account immediately or with less notice. Having looked at the information given to me by both parties, I'm satisfied Nationwide was entitled to close the account in the way it has.

It's possible this matter has caused Mr S some difficulty. But having looked at what's happened in this particular case, I can see no basis on which I might make an award against Nationwide given that I don't think it failed to properly follow its own procedures when it closed Mr S' account.

So I'm not going to ask Nationwide to compensate Mr S for any trouble and upset this may have caused.

Lastly, Mr S says he's not been able to open up another account. Mr S hasn't complained about this, and if he thinks it's because of something Nationwide has done, then he may choose to ask it to look into this separately.

### **My final decision**

For the reasons above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 27 November 2023.

Ketan Nagla  
**Ombudsman**