

The complaint

Mr W complains that Nationwide Building Society unfairly blocked his account after he received a series of payments from his mother. He's also unhappy about the service he was provided and how long Nationwide took to unblock his account.

What happened

Mr W has an account with Nationwide. Between 2 August 2022 and 9 September 2022, four online payments totalling £60,000 were made into Mr W's account from his mum's account, Mrs W, which was also a Nationwide account.

Following these payments crediting Mr W's account, Nationwide decided that it needed to verify some information with him. Nationwide asked Mr W about why he had received the money and to provide information to show that he was entitled to the funds. Nationwide also reached out to Mr W's mother and asked her what she knew about the payments. Whilst Nationwide reviewed things, it blocked Mr W's account and his mother's account. Mr W's account was blocked between 13 September 2022 and 28 October 2022.

Mr W told Nationwide that the money had been gifted to him by his parents, from their account. He explained that his mother his mother was seriously ill and was now living in a care home, after living with him for a number of years. But when Nationwide spoke to Mr W's mother, she said that she had no knowledge of the transactions, and was unable to use online banking, so she couldn't have made the transactions. Nationwide also noted that Mrs W appeared vulnerable due to her deteriorating health and seemed to have memory problems. And that Mr W had tried to withdraw the funds received from Mrs W immediately. So, it was concerned that Mr W was maybe trying to take advantage of his mother.

Mr W complained to Nationwide about the blocks to his and his mother's accounts. He said that both his parents were in extremely poor health and that the bank's actions were making an already challenging situation more difficult. He repeatedly told Nationwide that nothing untoward was going on. He said he felt the bank were treating him like a criminal and had accused him of trying to defraud his parents, which he found upsetting and very stressful.

Nationwide asked Mr W to provide evidence to support his explanation about why he had received the money from his mother, which included providing copies of Mrs W's account statements. In response Mr W provided Nationwide with copies of a deed of gift document that had been signed by Mrs W dated 1 August 2022 and a copy of Mrs W's undated will. Mr W said that he wasn't able to provide his mother's bank statements as Nationwide had blocked her account.

Mr W made a number of phone calls to Nationwide to try and sort things out and regain access to his account, which Mr W says was time consuming and upsetting. Nationwide told Mr W that it would take them around a month to complete its review. However, it later told Mr W that things would take longer and that it gave Mr W an incorrect time frame.

Nationwide apologised to Mr W for giving him wrong information and offered him £75 compensation, which it then increased to £175 for any trouble and upset he'd been caused. Mr W said the amount of compensation offered wasn't enough.

Nationwide reviewed the documents Mr W provided, but still had concerns and referred the matter to their Specialist Support Team (SST). The SST then reached out to Mrs W to speak to her again about the payments that had been made from her account to Mr W. On this occasion Mrs W told Nationwide that she was aware of the payments and had gifted the money to Mr W. Following this Nationwide removed the blocks from Mr W's account, and he was able to access the funds.

In response to Mr W's complaint Nationwide, said it hadn't done anything wrong when it blocked Mr W's account. And had done so in line with the terms and conditions. It apologised for any trouble the block was causing Mr W but said before it was able to remove the restrictions on both Mr W and his mother's account it had needed to speak to Mrs W and review the paperwork Mr W had provided in order to verify some information so that it could safeguard Mrs W's account.

Unhappy with this response Mr W brought his complaint to our service. He said that Nationwide had unfairly blocked his and his mother's accounts. And had treated him like a criminal, which was very upsetting. He said he hadn't done anything wrong; everything was above board, and he has been accused of trying to defraud his parents.

One of our investigators reviewed the complaint. He thought Nationwide hadn't done anything wrong when it blocked Mr W's account. And that it had done so to meet their legal, regulatory, and safeguarding obligations. So, he said Nationwide hadn't treated Mr W unfairly. He also thought Nationwide's offer of compensation for providing wrong information was fair.

Mr W disagreed. He maintained that Nationwide's had no right to block his account and the bank's actions caused him and his parents an enormous amount of upset, stress and worry, at an already very difficult time due to their failing health. He also said the amount of compensation offered isn't enough.

As no agreement could be reached the matter has come 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.

Firstly, I would like to reassure Mr W that I have considered all the evidence on the file and in particular I have paid special attention to all the comments he has made and his--specific submissions to our service. I've noted that Mr W had asked to speak to me before I issue my decision. But having reviewed the file I find there is enough information for me to reach a decision without doing so.

As the investigator has already explained, Nationwide has extensive legal and regulatory responsibilities they must meet when providing account services to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. To fulfil these obligations, they may need to review activity taking place on accounts and ask customers for information, for example about payments, and information about the individuals operating the accounts – it's the bank's duty to reasonably ensure accounts are being used in the way they should and to protect the

money which is held in them. In order to fulfil these obligations, banks sometimes block an account. The account terms and conditions also permit Nationwide to block an account and ask a customer for more information.

Based on all the evidence I've seen I'm satisfied that Nationwide were acting in line with these obligations and the account terms when it blocked Mr W's account and asked him to provide information about the payments he'd received from Mrs W. Mrs W's account was first flagged in September 2022 and additional checks and requests for information from both Mr W and Mrs W were made. Whilst it carried out its checks and reviewed the information Mr W provided, Nationwide blocked Mr W's account, pending a further discussion with Mrs W.

Nationwide removed the blocks from Mr W's account on 28 October 2022. So, Mr W's account was blocked for around six weeks. The reasons Nationwide blocked Mr W's account have been explained to our service. And I'm satisfied, based on the evidence I've seen, and explanations provided, that Nationwide's actions were appropriate in the circumstances and that it took those actions with the intention of protecting Mrs W and the money in her account.

I've very carefully considered everything that Mr W has said and can appreciate that the situation would have been difficult and upsetting for him. He has maintained that everything was above board and feels that he has been treated like a criminal. But I'm not satisfied that I can conclude that Nationwide acted unreasonably when it blocked his account and asked him about the payments he'd received from his mother.

Based on the evidence, I can understand why Nationwide had concerns and cause to be vigilant given the overall circumstances of this complaint. I say this because Mrs W was suffering from serious health issues, she also appeared confused and vulnerable when Nationwide first spoke to her about the payments. And she seemed to have trouble remembering things. Mrs W also initially told Nationwide she wasn't aware of the payments and didn't use online banking which had been used to make the payments to Mr W's account. So, overall, when I look at all the circumstances, I don't think it was unreasonable for Nationwide to take the steps that it did, as a result of identifying indicators that Mrs W was potentially at risk of financial harm.

I recognise the overall time this situation took. I accept that Mr W's account was blocked for around six weeks. But I do not consider that it would be right for me to conclude it should not have taken in excess of any particular or specific timeframe. Because the bank was entitled – as a matter of principle – to do what it did. I'm also satisfied from looking at the available information that Nationwide was proactive in completing its review from the time it blocked Mr W's account. So, I can't say Nationwide has treated him unfairly in taking the time it has to complete its review.

I've considered what Mr W has told us about how Nationwide's actions impacted him and his family. But I think it's important to mention at this point that any trouble and upset caused to Mrs W, isn't something that I can consider in this complaint, even if I thought Nationwide had done something wrong when it blocked Mrs W's account. I can only consider trouble and upset caused to Mr W himself. Having found the blocks were appropriately placed on Mr W's account as well as in accordance with the terms and conditions, this wouldn't be something that I'd ask Nationwide to pay Mr W compensation for.

Finally, Nationwide has explained that it gave Mr W wrong information about how long it would take to complete its review. Nationwide incorrectly told Mr W it would take a month to complete which was wrong. Nationwide accepts it made a mistake and recognised that Mr W spent a lot of time on the phone trying to resolve the issue regarding his and his mum's accounts, supplied the requested evidence, to then be advised that Nationwide wouldn't be able to complete things within the timeframe it had promised Mr W. Nationwide has apologised and offered Mr W a total of £175 compensation for the trouble and upset this

caused him. Mr W says this isn't enough. But I think this is a reasonable way to resolve this aspect of Mr W's complaint, so I won't be asking Nationwide to do anything more.

In summary whilst I appreciate Mr W has been inconvenienced and upset when Nationwide blocked his account and asked him for information, based on the evidence and all the circumstances of this complaint, I'm satisfied that Nationwide have acted fairly and reasonably in the best interests of Mrs W. And took the actions it did with the intention of protecting Mrs W and the money in her account.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 15 February 2024.

Sharon Kerrison
Ombudsman