

The complaint

Mr R complains that Nationwide Building Society are unable to add his son to his existing current account.

What happened

Mr R holds a current account with Nationwide. The account was historically a joint account held by Mr R and his ex-wife, but she was removed as an account holder when they divorced some years ago.

Mr R now wants to add his son to the account. He's explained that the process has required both him and his son to speak to the building society on several occasions and for his son to attend a branch to have his documents verified.

The application could not proceed. Nationwide explained it was unable to add Mr R's son to this existing account because it had previously been held jointly with another party.

Mr R was disappointed with Nationwide's position and made a complaint. He pointed out there had been wasted time and effort when he should have been told at the outset if the request wasn't possible. He also explained that both his ex-wife and his son agree to the proposed change and are happy to give their written authority for the application to proceed.

In its final response letter, Nationwide recognised there had been some inconvenience caused when trying to add Mr R's son as an account holder and paid him £75 compensation to acknowledge this. But it said it remained the case that it was unable to add Mr R's son to the account because it needed to safeguard the historic information of any previous members. It explained this was Nationwide's policy and it was unable to make an exception.

Mr R referred the complaint to us. He wanted us to advise Nationwide to change its decision and to let the application proceed.

One of our Adjudicators looked into the situation, but didn't recommend the complaint be upheld. He thought the £75 compensation Nationwide had paid was fair to recognise that its service had fallen short. He didn't agree the building society was at fault by not adding Mr R's son to the account. He said Mr R should consider opening a new joint account with his son.

Mr R didn't agree. He explained his ex-wife had been removed from the account at least 14 years ago and it wasn't necessary for Nationwide to now keep information from before the account had been transferred into his sole name.

As no agreement could be reached, the complaint has been referred to me to decide.

My further investigation

Upon review of the complaint papers, I contacted Mr R. I agreed with him that organisations should not keep personal data for longer than they need it, but explained there are no set time limits. I said it is for Nationwide to determine how and why it should keep data.

I said that banks and building societies have to keep some personal data for as long as the underlying account is open and often for a period of time after it has been closed, and that there are legal and operational reasons for this.

I didn't think Nationwide was being disproportionate or that it was treating Mr R unfairly or unreasonably by requiring him to open a fresh account and transfer regular payments over to be able to meet the aim of holding a joint account with his son.

Mr R felt Nationwide should do more to act in the customer's interests, especially as all parties requesting this change are in full agreement and willing to give written authority for it to happen. He said that opening a new account may be a viable option, but he didn't see why the onus was on the customer to change account details. He suggested that the change could be made without difficulty provided someone in authority gave consent for the amendments. He asked for me to put my reasoning for declining the complaint into a formal letter so he could consider his next steps, such as referring the matter to the Information Commissioner's Office (ICO) for review.

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 am unable to uphold the complaint. I do appreciate this is a disappointing outcome for Mr R, but I'll explain my reasons why.

Adding another person to a current account is not an unusual request, so I can appreciate why Mr R was expecting things to be more straightforward than needing to open an entirely new account. But I don't think Nationwide's position that it is unable to add Mr R's son to his existing account is unfair or unreasonable.

Banks and building societies hold lots of personal data. Some of this data they have to retain for as long as the underlying account is open and often for a period of many years beyond when it is closed. Whilst Mr R has explained his ex-wife is comfortable for their son to see any information connected to her, for instance, should his son ever decide to make a subject access request, Nationwide has said that it does not permit any exceptions to its policy that it is unable to add a new account holder onto an existing account that has previously been held jointly.

There will be situations where the parties involved are not cordial and disclosure of information relating to a previous account holder could cause a lot of strife and have negative consequences. Ultimately it is for Nationwide to decide the degree of risk it is willing to take and the degree of information it needs to hold, in line with its legal, regulatory and business requirements. I am not a regulator, and I am not able to instruct Nationwide to change its business practices.

Whilst I do understand that Mr R considers Nationwide's policy to be inflexible, I can't see that it is treating him differently or less favourably than any other customer in this position. It follows that I cannot fairly require it to take any further action. Should Mr R wish to contact the ICO about Nationwide's obligations under data protection legislation then he is, of course, free to do so.

My final decision

For the reasons I've explained, my final decision is not to uphold Mr R's complaint against Nationwide Building Society.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 18 December 2023.

Claire Marsh
Ombudsman