

The complaint

Mr J complains about the way Nationwide Building Society handled large cash withdrawals he wanted to make in branch.

What happened

Mr J opened his Nationwide account in late February 2023. A CHAPS transfer for £71,000 was received on 7 March 2023. On 8 March 2023 Mr J transferred £10,000 to another account and made a cash withdrawal of £10,000 in branch. On 9 March 2023 Mr J visited the branch again and explained he wanted to withdraw £20,000 in cash. Staff successfully completed a withdrawal of £10,000 cash but when they attempted the second it was picked up by Nationwide's systems for further checks.

Nationwide applied account restrictions and explained it had concerns about the potential for fraud. Evidence by way of bank statements and supporting information was requested from Mr J and provided the following day. Nationwide agreed to remove the account restrictions that were stopping Mr J making transfers and using his account. But Nationwide advised that it wouldn't approve any large cash withdrawals in the future. On 10 March 2023 Mr J was able to arrange for transfers totalling £40,000 to be made from his Nationwide account to another account with a different bank.

Mr J complained and Nationwide issued a final response. Nationwide didn't agree it had made a mistake or acted unfairly by restricting Mr J's account and didn't uphold his complaint.

An investigator at this service looked at Mr J's complaint. They thought Nationwide had acted in line with the account terms by declining the second cash withdrawal request for £10,000 on 9 March 2023 and applying account restrictions. During the investigation, Nationwide confirmed it had removed the restriction applied that meant no large cash withdrawals would be approved. But Nationwide explained that large cash withdrawals may be selected for additional reviews in the future.

Mr J asked to appeal and said he'd provided proof that his withdrawal requests were genuine. Mr J said that Nationwide's decision not to approve any large cash withdrawals in the future was unfair. Mr J gave further detail concerning why he needed the funds and said he believed Nationwide's actions were unfair and against the terms and conditions of the account. Mr J also advised he wanted Nationwide to refund the monthly account fees he'd incurred. As Mr J asked to appeal, his complaint has been passed to me to make a decision.

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 I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file.

I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

I understand that Mr J had entirely genuine reasons to ask for the funds he transferred into the newly opened Nationwide account in cash. But Nationwide has made a number of points that I think reasonably explain why it took steps to restrict Mr J's account. Nationwide's explained that Mr J opened his account at the end of February 2023 and that the first transaction was a CHAPS transfer in for £71,000. Mr J then transferred £10,000 and successfully withdrew £20,000 in cash over two transactions. It was when Mr J attempted the second withdrawal of £10,000 on 9 March 2023 that his account was flagged for further checks. I agree with Nationwide that the way Mr J was using his account was unusual. And I can see that the terms and conditions allow Nationwide to restrict account access and ask for additional information when it has genuine concerns about fraud. So whilst I don't doubt what Mr J's told us, I'm satisfied Nationwide acted reasonably when it restricted Mr J's account and asked him for evidence.

Mr J was quick to comply with Nationwide's request and submitted the required evidence. Nationwide, in turn, looked at the information Mr J provided and removed account restrictions that meant he could use its online banking facility as well as make transfers out of his account. So whilst I understand Mr J was put to some inconvenience by Nationwide, I'm satisfied it was seeking to protect his account when it applied the restrictions. And I'm satisfied the restrictions were removed once Nationwide was satisfied with the information Mr J supplied.

Nationwide advised Mr J that a restriction on large cash withdrawals would remain in place. And I can understand why Mr J was frustrated at Nationwide's decision. But in July 2023 Nationwide reviewed its decision again and decided to remove the large cash withdrawal restriction it had previously applied. That meant Mr J was able to use his account for cash withdrawals again, as he's told us he wanted to do. I'm satisfied that's fair in the circumstances of Mr J's complaint.

In response to the investigator, Mr J said he wanted Nationwide to refund monthly account fees he's paid. But as I haven't found that Nationwide acted unfairly or made a mistake and it's confirmed the account restrictions have been removed. I'm sorry to disappoint Mr J but I haven't found ground to tell Nationwide to refund fees he's paid or take any further action.

My final decision

My decision is that I don't uphold Mr J's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 5 January 2024.

Marco Manente
Ombudsman