

## **The complaint**

Mr S complains as a director of S, a company, that Nationwide Building Society closed its Gross Business Investor Account, without good reason.

## **What happened**

On 23 June 2022, Nationwide wrote to Mr S in respect of S, to advise him that it was closing all its Gross Business Investor Accounts. It later confirmed in its final response letter that the reason was that over the past few years it had noticed a reduced demand for its Treasurer Trust and Investor accounts. And that due to the age of these accounts they no longer offered many of the features organisations require. It said that this would be done on 27 August 2022 and advised how to reclaim the balance on the account. I understand that when S's account closed the balance was £0.06.

Mr S said this was unfair as due to the low turnover of his business, he couldn't open an account elsewhere. He didn't accept that Nationwide had given a good reason to close the account and felt it was discriminating against businesses. He also said that in a telephone call to an adviser at Nationwide he was given a different reason for it closing the accounts.

On referral to the Financial Ombudsman Service, our Investigator said that he didn't think that Nationwide had done anything wrong or acted inappropriately.

Mr S did not agree and the matter has been passed to me for further consideration.

## **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 should set out initially that I'm considering here Mr S's complaints on behalf of S, about Nationwide closing the business account. Whilst I understand that Mr S has complaints about two banks he approached, I can't deal with those here as they involve completely separate businesses.

In line with the terms and conditions of the account, Nationwide gave S 60 days' notice of its intention to close the accounts. It gave as its reasons:

- Reduced demand for its Treasurer Trust and Investor accounts.
- Due to the age of the accounts they no longer offered many of the features organisations require.

Banks and building societies do not have to give reasons for closing an account although we would normally expect them to do so. Unless Nationwide acted unfairly, showed unreasonable bias or discriminated against Mr S, I don't think it would be reasonable to expect Nationwide to reopen the account.

The account in question is an investment account, not a current account, and I understand that Nationwide does not provide current accounts for business customers. Mr S says that Nationwide allowed him to use the account as a current account, but Nationwide has said that it did not agree this and would never have done so. It would be in breach of the terms and conditions of the account to allow Mr S to use the account in that way. And it would be unfair on other customers who accept that Nationwide only offers savings accounts for businesses or who have had their account closed for breaching the terms and conditions.

So whilst I understand that Mr S has been unable to find another business account, Nationwide's decision should not have stopped him having banking facilities for his business. I'm satisfied that Nationwide gave him appropriate information about how to find an account.

Bearing that in mind, I don't think that Nationwide acted inappropriately in closing the account down. It gave Mr S 60 days' notice, and I note that the account only had a minimal amount in it when it was closed.

Mr S says that he was told by a Nationwide adviser that it was the FCA (Financial Conduct Authority) who ordered the accounts to be closed as the accounts are no longer up to the standards of the FCA (regarding money laundering). I don't know whether that's true or not but it is not a contradictory reason and would make sense in that Nationwide does refer to the age and features of the accounts. I don't think I need to look into that matter any further.

Mr S has referred to discrimination, against its customers and against businesses. Nationwide does not have to treat businesses in the same way as it does personal customers. And in my view its decision to close S's account was not done for a discriminatory reason.

Lastly, I am aware of the various business standards, regulations, guidance, acts of parliament and the other documents Mr S has supplied us with. To the extent they are relevant I have applied them, but I don't think it's necessary to go into how and why any of them might apply in this case.

### **My final decision**

For the reasons I've set out I don't uphold S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 24 November 2023.

Ray Lawley  
**Ombudsman**