

## The complaint

Mr M complains that Nationwide Building Society blocked his account and wouldn't allow him access to funds.

## What happened

In January 2023 Mr M was due to receive money from the job centre to buy clothes for a job interview. But he says Nationwide had blocked his account so he couldn't retrieve the funds.

He phoned Nationwide's collections department and went to a branch, but he says he was made to wait several hours and by the time the money was released to him, he'd missed the job interview. Mr M feels he has been treated badly and that the branch staff discussed something in relation to his character with a member of its collections team.

Mr M also complains that Nationwide took £10 a month from his benefit payments due to his account being overdrawn, which meant some days he went without food. And because his account was blocked, he often had to travel to a local branch to access funds. Mr M is also unhappy with how his complaint was handled as it made incorrect statements about a number of issues.

Nationwide didn't think it made any errors. It said that the information provided to Mr M was correct as - at that point, the funds hadn't been received from the job centre. And that the funds were released to Mr M quickly once they had been received.

It also explained that a temporary reducing overdraft had been set up on Mr M's account due to him being overdrawn after he spent money he wasn't entitled to. It also said Mr M's complaint had been dealt with appropriately.

Mr M wasn't happy with its response and brought his complaint to our service. Our investigator didn't think the complaint should be upheld. He said Nationwide had shown the funds hadn't credited Mr M's account when he'd first contacted Nationwide. He acknowledged that there was initially a discussion on whether the funds should be released but ultimately, he found the funds had been released in a timely manner after the funds arrived in the account. So, he didn't think Nationwide could be held responsible for Mr M missing his interview. He acknowledged Mr M was told the branch hadn't been in contact with the collections department, but he noted that Nationwide had sent a follow up letter explaining it had made a mistake.

Mr M didn't accept our investigator's opinion and as an agreement couldn't be reached, the complaint has been passed to me to decide.

I issued my provisional decision on 15 September 2023 in which I said:

*"... I'm sorry to hear of the impact this matter has had on Mr M's health, and I appreciate this has been a very challenging time for him. While I empathise with Mr M, I must put aside my feelings of empathy and consider his complaint impartially. I would also like to reassure Mr M that I have taken everything he's said into consideration, but I haven't addressed it all here.*

*Instead, I've focused on what is key to the decision I've reached.*

*To uphold this complaint, I must find that Nationwide did something wrong in its handling of Mr M's account. Having reviewed Mr M's complaint in detail, I can't see any issues with its overall handling. I know this will come as a disappointment to Mr M, but I'll explain why.*

### **£10 monthly deduction**

*It's not in dispute that Mr M had raised a fraud case regarding a transaction debited to his account of £79.99. Nationwide credited this amount to Mr M's account while it investigated the matter. This is what I expect a business to do when a transaction is in dispute. However, a refund was also credited by the merchant. As Mr M received two refunds of £79.99, Nationwide debited his account to correct the account balance. Again, this is what I'd expect a business to do in these circumstances. So, I'm satisfied Nationwide didn't do anything wrong here. However, by this time Mr M had spent both refunds leaving his account in an unarranged overdraft.*

*Mr M says that Nationwide took money out of his benefits. And I can understand why Mr M thinks this is what happened. But I'm satisfied that Nationwide set up a temporary reducing overdraft facility. I think it would be helpful to explain that when an account goes overdrawn without agreement, the bank can ask for the full amount to be repaid immediately. But given Mr M's circumstances, Nationwide provided a temporary overdraft facility which reduced by £10 per month. And I've seen that Mr M agreed to this arrangement. Overall, I think this is fair given the circumstances of how the overdraft came about - as set out above, as it gave Mr M time to reduce what he owed without incurring interest and charges.*

*I can see that Nationwide restricted Mr M's account when the agreement to reduce the overdraft failed on three occasions. I don't think it was unreasonable for it to have taken this action in the circumstances as it prevented further debt accruing on the account. I've seen that Mr M phoned its collections department and informed the agent he didn't have money for food, and he was allowed to withdraw his universal credit in full, and I think that's fair. Mr M was later able to pay the outstanding balance off in full as he'd received a bursary. At this point the restriction was lifted, and I think that's reasonable.*

### **Blocked funds from the job centre**

*I listened to the phone calls Mr M had with Nationwide's collection team which related to the funds Mr M was due from the job centre to buy clothes for a job interview. I'm satisfied that during the phone calls, the agents informed Mr M the money from the job centre had not yet been deposited into his account. And that funds couldn't be released as Mr M's account was overdrawn.*

*I appreciate Mr M was initially given the impression that the funds would not be released due to the outstanding debt, however, the second agent he spoke to explained that she would need to see what sort of benefits these were (when they arrived) to determine whether they could be withdrawn or not. The agent asked Mr M to phone back once the money was in his account. As I'm satisfied that Nationwide has evidenced that at this point, the funds from the job centre hadn't been received into the account, I don't think it acted unfairly here.*

*I understand Mr M was frustrated he had to wait some time in branch to access the money. But I'm satisfied this wasn't due to a bank error. It not unusual for payments initiated by a third party (in this case the job centre) to take some time to reach the beneficiary account (Mr M's account in this case). And it would appear Mr M attended the branch shortly after his appointment at the job centre at which point the funds hadn't yet credited his account. I'm satisfied that Nationwide had to wait until the money was available before agreeing to Mr M's*

*withdrawal request. And I'm satisfied the money was released to him in good time, once it was available. So, I can't hold Nationwide responsible for Mr M missing his interview.*

### **Customer service**

*I appreciate Mr M felt the first agent (I'll refer to her as D) he spoke to spoke down to him. During the phone call D said Mr M would need to arrange to pay the debt to access the full payment from the job centre. And I can understand why this was frustrating to Mr M, but I'm satisfied D was professional and polite during the phone call. And as Mr M wasn't willing to discuss it further with D, he was passed to another agent.*

*Mr M is adamant that when the branch staff contacted the collections team, they also spoke to D. But Nationwide has provided a recording of the phone call between the branch and the collections team and I'm satisfied it was a different agent that the branch staff spoke to. I'm also satisfied this phone call was professional and there was nothing unpleasant said about Mr M, or any comments made in relation to his character as he has suggested.*

*I accept the complaints handler initially said the call between the branch and collections department didn't take place. However, I note in an email to Mr M, Nationwide acknowledges this was incorrect. I can understand why this was upsetting to Mr M, but I find Nationwide's apology for this to be appropriate.*

*I appreciate how difficult this experience was for Mr M, so I know this will be disappointing to him, but I don't think Nationwide need to do anything more regarding this complaint."*

### **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.

Mr M didn't accept my provisional decision. I appreciate how upsetting he has found this complaint, but as neither party has provided any additional information for me to consider, I see no reason to depart from what I said provisionally.

### **My final decision**

For the reasons set out above, I don't uphold this complaint.

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

Oluwatobi Balogun  
**Ombudsman**