

The complaint

Miss S complains that Nationwide Building Society unfairly blocked her account.

What happened

Miss S has a savings account with Nationwide, which she'd been using to save money to put towards her college and university expenses.

In March 2023, Miss S applied online for a credit card account with Nationwide whilst overseas. The application was declined, and in April 2023, Nationwide sent Miss S two letters letting her know that it wasn't able to offer her any other products. Following the failed application Nationwide decided that it needed to verify some information with Miss S, so it wrote to Miss S via email on 19 April 2023, asking her to get in touch with them. Nationwide also tried to call Miss S. But it wasn't able to get in touch with Miss S.

In May 2023, due to the lack of response from Miss S, Nationwide blocked Miss S's account – which meant Miss S couldn't access her online banking, the money in the account or use her bank card. Miss S discovered that her account was blocked when she tried to make a payment from her account. Miss S complained to Nationwide via email about the block to her account. She said that Nationwide had looted her account and were prejudiced against her because she was in another country when she applied for a credit card. She said she hadn't done anything wrong, and the block was causing her mental and physical trauma.

In response Nationwide, said it hadn't done anything wrong when it blocked Miss S's account. And had done so in line with the terms and conditions. It apologised for any trouble the block was causing Miss S but said before it was able to remove the restrictions on her account it needed to speak to her in order to verify some information so that it could safeguard her account. Miss S didn't contact Nationwide, so her account remained blocked.

Unhappy with this response Miss S brought her complaint to our service. She said that Nationwide had unfairly blocked her account as nothing in the terms applied to her circumstances. And she hadn't done anything wrong. She said that the money in the account represented her life savings and Nationwide's actions had been very upsetting. She believes Nationwide's actions was based on prejudice. She wants compensation for the trouble and upset she was caused by Nationwide blocking her account.

One of our investigators reviewed the complaint. She noted that Nationwide had asked Miss S to contact them by phone so that it could verify some information, but Miss S hadn't done so. She thought Nationwide hadn't done anything wrong when it blocked Miss S's account. And that it had done so to meet their legal, regulatory, and safeguarding obligations. So, she said Nationwide had treated Miss S fairly when it blocked her account.

Miss S disagreed. She maintained that Nationwide's actions were racially motivated and that she'd not breached any terms and conditions. So, Nationwide had no right to block her account and did so without her permission.

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, 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 entitled and obliged to carry out such checks. The terms of Miss S's account also permit Nationwide to review an account and ask its customers for information. I should also point out that Nationwide doesn't need Miss S's permission to do so.

Nationwide blocked Miss S's account following a credit card application. Miss S has confirmed to this service that she made the application, thinking due to her age it as about time she had a credit card account. She said she applied for the account whilst overseas. Nationwide declined the application and wrote to Miss S saying it wasn't able to offer Miss S any other products.

Up to the point of the credit card application, Miss S's account had been dormant – with no transactions on her account for at least six months. Nationwide also weren't able to verify some of the information provided in the credit card application. So, to safeguard Miss S's account, Nationwide reached out to Miss S via email asking her to get in contact with them in order that it could verify the activity and the information that had been provided. But Miss S didn't respond. Nationwide also tried to get in touch with Miss S by phone. But again, Nationwide weren't able to get hold of Miss S. I'm satisfied that Nationwide attempted to get in touch with Miss S by different means, between April and May 2023, which I think is a reasonable amount of time. I can see that Miss S sent emails to Nationwide in May 2023, but she didn't comply with Nationwide's requests to speak to them. So, Nationwide couldn't verify what it needed. Because of this Nationwide blocked Miss S's account in May 2023.

Nationwide is obliged to carry out checks to protect accounts from identify theft, fraud, and financial crime. Nationwide has to have in place security measures and procedures in order to try to safeguard its customers' accounts and ensure it complies with its legal and regulatory obligations. So, if they don't receive the necessary information that they request to allay those risks, which is what happened here, I do not consider blocking Miss S's account is a disproportionate measure for Nationwide to take. So, whilst I accept this upset Miss S, I don't consider Nationwide treated her unfairly when it blocked her account.

It's clear from what Miss S has told our service and Nationwide that she believes she is a victim of racial discrimination by Nationwide. While I can appreciate this is her perspective, it is not the role of the Financial Ombudsman Service to decide whether the business has acted unlawfully or not – that's a matter for the Courts. I'm required to consider a number of factors in order to decide Miss S's complaint in accordance with what I think is fair and reasonable in all the circumstances of this complaint. Part of this has meant considering the provisions of the Equality Act 2010 . And after looking at all the evidence, I've not seen anything to suggest that Nationwide decided to block Miss S's account for an improper reason.

In summary, it's clearly caused Miss S trouble and upset when she wasn't able to use her account. I appreciate it must have been a worrying and frustrating time for her – especially

as she's explained she'd saved hard so that she could put the money towards supporting herself whilst she studied, So, I realise she will be disappointed by my decision. But having looked at all the evidence and circumstances of this complaint, I can't say Nationwide treated Miss S unfairly when it blocked her account. So, it wouldn't be appropriate for me to award Miss S any compensation since I don't find Nationwide acted inappropriately.

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 Miss S to accept or reject my decision before 27 November 2023.

Sharon Kerrison
Ombudsman