

The complaint

Mr G complains that Clydesdale Bank Plc trading as Virgin Money was responsible for cancelling a direct debit instruction for a regular payment into his son's pension scheme.

What happened

In early November 2022 Virgin Money wrote to Mr G to advise him that his direct debit instruction had been cancelled. He had been in contact with Virgin Money in October 2022 as he wished to cancel the direct debit instruction in respect of another son's pension scheme and needed the relevant references so that he could advise his bank .

When he spoke to Virgin Money about the cancellation he was told by the adviser that the error had happened before and that it would be paying him an ex gratia payment. A new direct debit was set up and Virgin Money ensured there would be no loss due to the late payment.

The adviser spoke to Mr G again and told him that it was not in fact Virgin Money's error. Virgin Money later sent a copy of the cancellation instruction that it had received via its bank which it said showed that it had not cancelled the payment. It did say that the service elements of his complaint could have been dealt with better, particularly call waiting times and a call was disconnected and Mr G was not called back. It agreed to pay him £100 compensation which it later increased to £150 owing to some confusion about the direct debit reference numbers it provided. The payment has been made

On referral to the Financial Ombudsman Service, our Investigator said she was satisfied that Virgin Money had not made an error.

Mr G was not happy with this, pointing out that Virgin Money had admitted its error in its telephone call to him, and that it is the Financial Ombudsman Service's approach to identify if a business has done something wrong.

The matter has been passed to me for further consideration. Mr G also raised a complaint about his bank concerning the same issue, which I shall also 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.

When reviewing cases we consider documentary evidence and oral evidence such as telephone conversations between the parties and with this service. In respect of Mr G's complaint, I think that it's likely that the problem arose when Mr G cancelled the other direct debit payment to another son's pension scheme. But the question of who was responsible for the cancellation has been more difficult to answer. I know Virgin Money's adviser told him that it had made an error which had happened before. But the adviser told him in a subsequent call, that it had not in fact made an error.

Virgin Money has sent us and Mr G the notice of cancellation it had received. It tells us that, as it had received the notice, the cancellation of the payment didn't come from it. Indeed the fact that it wrote to Mr G to say that his bank had been in touch with it to say the bank was unable to make the November payment does also say to me the payment was not cancelled from Virgin Money's end.

I note that Virgin Money was able reset the direct debit without any loss to the investment. I've noted also that it paid Mr G £150 in respect of its poor service provided in dealing with his complaint, which I think is fair and reasonable.

We act as an alternative dispute resolution service. Our function is to try to resolve complaints between the parties informally. And whilst I understand Mr G wants to know who was responsible for cancelling the direct debit, from reviewing the evidence in this case it does not seem to me to be likely that was Virgin Money. If the evidence is such that I can't identify whether it is most likely that the business has done something wrong, then I can't make a finding upholding the complaint.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 13 November 2023.

Ray Lawley
Ombudsman