

## **The complaint**

Mr B complains that following an instruction to close a joint executor account Clydesdale Bank Plc trading as Virgin Money ("Virgin Money") closed his sole account in error. This resulted in direct debits and standing orders being cancelled and Mr B having to spend time reinstating them.

## **What happened**

Mr B instructed Virgin Money to close a joint executor account he held with his sister. Virgin Money wrongly closed Mr B's sole account on 30 June. Mr B contacted Virgin Money about this online via chat on the same day and was advised to go into a store the following day where a new account would be set up. Mr B visited a store the following day where he says he spent an hour and a half trying to reinstate his account.

Virgin Money say Mr B was helped by its store manager to reactivate his account and reinstate direct debits when he visited its store and the account was successfully reactivated on 3 July.

Mr B complained to Virgin Money about this on 5 July. Virgin Money upheld Mr B's complaint, it apologised for the error it made in closing his account and acknowledged all the issues Mr B faced because of this. Virgin Money offered Mr B £500 compensation for the distress and inconvenience caused and £18 to reimburse travel and parking costs when visiting its stores.

Mr B was dissatisfied with this and brought his complaint to this service.

One of our investigators looked into Mr B's concerns and thought that the offer of £500 compensation was fair and reasonable taking into consideration the time it took for Virgin Money to rectify its error (3 days) and the impact this had on Mr B and didn't recommend an uplift on this compensation.

Mr B disagreed, he says not all of the direct debits were reinstated and that he had to manually contact each holder to re-instate the payments, as well as there being missed and additional payments he had to make, which took until September.

Mr B doesn't believe the compensation is enough, he considers that Virgin Money breached a contract and is looking for compensation in the thousand's and has asked for an ombudsman's 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.

My role is to look at the problems Mr B has experienced and see if Virgin Money has done anything wrong or treated him unfairly. If it has, I would seek – if possible - to put Mr B back

in the position he would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

In this case Virgin Money has already accepted that it made a mistake in closing Mr B's account and this has now been recovered and all the direct debits and standing orders reinstated, wrongly transferred money returned and Mr B has been put in the position he would've been in had the mistake hadn't happened. So all I have to decide is whether the £500 compensation offered is a fair and reasonable way to settle this complaint – and I think it is.

I accept that Mr B has had to spend some time wading through emails, reinstating the direct debits on his account as well as making up for missed payments which meant the problem wasn't resolved in the 3 days from when Mr B's account was recovered. But Virgin Money did all it could to rectify its mistake that was within its power and within what I think is a reasonable time frame and Mr B understood that his account would be and was reinstated almost immediately.

In any case things don't always go smoothly, mistakes do happen and my role isn't to punish or penalise businesses for their performance or behaviour - that's the role of the regulator, in this case the Financial Conduct Authority. From what I understand Virgin Money's mistake hasn't negatively impacted Mr B's overall position regarding his account or his credit file and I haven't been made aware of any financial loss – outside of travel costs that have already been reimbursed - due to the mistake.

I appreciate Mr B feels his reputation has been compromised due to a missed payment and his debit card being declined, as well as possibly having to explain to his sister why funds had been credited to their joint account – but this is what the compensation of £500 is for - to cover the distress and inconvenience caused from Virgin Money's mistake.

So in these circumstances I think the compensation offered is both fair and reasonable and in-line with what we'd recommend in situations such as these and I'm not going to ask Virgin Money to do anything else. Mr B now needs to decide if he is willing to accept Virgin Money's offer.

### **My final decision**

For the reasons I've explained I've decided that what Clydesdale Bank Plc has already offered to settle Mr B's complaint is a fair way to settle his complaint and I do not require it to do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 3 January 2024.

Caroline Davies  
**Ombudsman**