

The complaint

Mr R is unhappy that Clydesdale Bank Plc, trading as Virgin Money, transferred money to an incorrect account.

What happened

On the maturity of his ISA account, Mr R instructed Virgin to transfer approximately £8,000 to his nominated account. But Virgin didn't process the transfer to Mr R's nominated account and instead moved the money to an account they opened for Mr R without his consent. Mr R wasn't happy about this, or with the service he received from Virgin when trying to resolve the matter with them. So, he raised a complaint.

Virgin responded to Mr R and explained that they had processed the transfer to the account registered with them as being Mr R's nominated account at that time – which Mr R had updated only after the transfer had been made. And because of this, Virgin didn't feel that they'd acted unfairly by processing the transfer as they had.

However, Virgin did accept that Mr R had experienced long hold times when trying to call Virgin and hadn't received the standard of service he was reasonably entitled to expect when he was able to speak with their staff. Virgin apologised to Mr R for this and made a payment of £150 to him as compensation for any trouble or upset he may have incurred. Mr R wasn't satisfied with Virgin's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they felt the response that Virgin had issued to Mr R's complaint already represented a fair outcome. Mr R remained dissatisfied, so the matter was escalated to an ombudsman for a final 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.

Having done so, I'd like to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such. This means that it isn't within my remit here to declare that Virgin have or haven't acted in a non-regulatory or unlawful way.

Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the circumstances and factors of a complaint into consideration.

Mr R believed Virgin had transferred his money to a new account that Virgin had opened for him without his permission. However, Virgin have been able to demonstrate that the account to which they transferred the money had been opened by Mr R in 2017 and had been listed with them as Mr R's nominated account for transfers at the time of the transfer in question.

As such, I'm satisfied that what's happened here is that Mr R has simply forgotten to update his nominated account with Virgin. And given that it's Mr R's responsibility, as the account holding customer, to remain aware of the nominated account he has listed with Virgin and to update the nominated account so that it remains in line with his wishes, I'm satisfied that Virgin haven't done anything wrong here.

Virgin have accepted that Mr R has experienced some service issues when trying to contact them, including long hold times, and being asked to call Virgin to then discover that Virgin's telephony staff were unable to help him. Virgin have apologised to Mr R for this, and they've made a payment of £150 to him as compensation for any trouble and upset he's incurred.

Matters of compensation can be subjective, but Virgin's payment of £150 feels fair to me here, given what happened. And I can confirm that it's commensurate with what I might have instructed Virgin to pay, had they not already done so. I say this in consideration of the inconvenience and frustration Mr R has experienced as well as the general framework which this service uses when considering compensation amounts – details of which are on this service's website. But also, in consideration that the root cause of what's happened here is a mistake made by Mr R in not keeping his nominated account details with Virgin up to date.

Mr R feels that a higher amount of compensation should be paid in this instance because he's had to try to contact Virgin while being overseas and has incurred greater costs as a result. But again, it must be remembered that the root cause of what's happened here is an oversight by Mr R, and not anything for which Virgin should fairly be considered accountable. And it's also not Virgin's fault that Mr R is overseas whereby greater costs are incurred. As such, I remain satisfied that £150 is a fair compensation amount.

I realise this won't be the outcome Mr R was wanting, but it follows that I feel the response to Mr R's complaint already issued by Virgin is a fair outcome to what happened. And this means I won't be upholding this complaint or instructing Virgin to take any further action. I trust Mr R will understand, given what I've explained, why I've made the final decision I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 25 August 2023.

Paul Cooper
Ombudsman