

## **The complaint**

Mr M complains that Clydesdale Bank Plc trading as Virgin Money provided poor service in blocking access to his digital banking and not processing a payment to an account in his own name elsewhere.

## **What happened**

Mr M says that on 28 October 2022, he attempted to make a withdrawal from a Virgin Money account to another bank account held in his own name. He was contacted on the same day by Virgin Money to go through a security process that they required to authenticate the payment, which he complied with and understood it to be successful, with the transaction to be completed. Mr M says he found out they had placed the transaction on hold pending authorisation via a phone call. Mr M says he spoke to Virgin Money several times over the course of a week in an attempt to get them to process the transaction.

Mr M says on 4 November 2022, after a call from him to Virgin Money and a follow up call from Virgin Money to him, he was advised that Virgin Money would discuss the matter internally and call him later that day, which they did. The call handler told Mr M that the only solution was for him to visit a branch, which Mr M was able to do within the following week. Mr M says the branch staff informed him there had not been a block on his account and that the first withdrawal of any amount from his Virgin Money account required him to visit a branch. Mr M made a complaint to Virgin Money.

Mr M brought his complaint to our service. Virgin Money did not uphold Mr M's complaint, and he received no outcome from Virgin Money. Our investigator did not uphold Mr M's complaint. He said having listened to the calls, Virgin Money followed their process correctly. He said due to security sensitive information, he couldn't disclose the reason why Mr M's access was blocked, but Mr M needed to identify himself in the branch, and the funds were released once Mr M did this. Our investigator said that while a final response letter was issued later than eight weeks from Mr M complaining, complaint handling alone is not a regulated activity. Mr M asked for an ombudsman to review his 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.

Firstly, I'm aware that I've only summarised Mr M's complaint points. And I'm not going to respond to every single point made by him. No discourtesy is intended by this. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

I'd like to explain to Mr M that it is not within this service's remit to tell a business how to run their security policies and procedures, such as when they should block access to digital banking, when to hold a payment for further checks, or what requirements should be met to process a payment. It would be the role of the regulator – the Financial Conduct Authority,

who have the power to instruct Virgin Money to make changes to their policies and procedures, if necessary.

Banks and building societies have an obligation to try and keep their customers' accounts safe and prevent them from being victims of fraud and scams. Sometimes they identify and block legitimate payments due to security concerns. This can cause distress and inconvenience to a customer – but it doesn't necessarily mean they have acted incorrectly. And Virgin Money are not obliged to divulge the reason for any blocks to Mr M as this could breach security protocols and help people circumvent their fraud prevention systems.

Mr M attempted to make a payment on 28 October 2022. Although this payment was to a third party account in Mr M's name, this wouldn't preclude the transaction from potentially being subject to security checks or additional security checks. I can see that Virgin Money's digital banking terms and conditions, which Mr M would have needed to agree to in order to use digital banking, shows under section 12 that they can stop him using a digital service immediately under certain circumstances. And I'm satisfied that Virgin Money were entitled to do this based on the concerns they had about the payment Mr M was attempting to make.

In terms of notifying a customer about a block with their digital banking, Virgin Money would either try to do this beforehand, or as soon as possible afterwards. As this payment was held for security checks, then I can't say they acted against these terms by not informing Mr M of the digital block prior to blocking his access on these channels, although I would expect them to tell Mr M his digital banking was blocked as soon as possible after it had been blocked.

Virgin Money's records show that they left a voicemail on Mr M's mobile for him to contact them on the same day the transaction was held, and the digital banking was blocked. I've listened to this voicemail and the voicemail confirms the telephone number at the beginning of the message and this mobile number matches the mobile number Mr M included on his complaint form to our service. So I'm satisfied that they did ring Mr M's registered contact number. As Mr M hadn't answered the phone, then for security reasons I wouldn't expect them to tell Mr M on the voicemail that his digital banking was blocked as they wouldn't have completed security with him.

The evidence shows that Mr M rang Virgin Money back on 2 November 2022. I've listened to the call recordings from this day. The first call handler was having system issues, so he transferred the call. Mr M spoke to another call handler, but he failed security so she couldn't continue the call. While Mr M disputes he failed security, I'm satisfied that he did fail security, but I'm unable to disclose why here. He was advised to call back which he did. The call handler explained the payment was on hold and Mr M was transferred to the fraud department.

Virgin Money have been unable to locate this call, but I have read the system notes and what Mr M said on the next call recording I listened to when he arranged a call back. And I'm not persuaded that Virgin Money made an error here. Mr M was transferred to the relevant team. Again, I don't have a call recording of the following call, but it appears that Virgin Money told him that he would need to access his registered mobile number, but Mr M told them he didn't have access to this, so Virgin Money were unable to complete the last part of the authentication. The notes show Mr M said he would call back when he had access to the other mobile phone.

Mr M called Virgin Money on 4 November 2022. I've listened to this call. The call handler explains they will need to call Mr M on his registered number, and they can try the payment again. Mr M says he has been unable to access the app, and the call handler explains this is because they placed a block on it when they held the payment.

I've listened to the call when Mr M is called by Virgin Money. The call handler says he needs to look further into the payment and will give him a call back later. Mr M was later asked to visit the branch with identification. While this may have inconvenienced Mr M to do this, I'm not persuaded that Virgin Money were unreasonable to do this, as they had followed their process in relation to their security procedures and the calls they had with Mr M.

Mr M provided his identification at the branch, and he had closed the account down on 9 November 2022. So I'm not persuaded that Virgin Money made an error with their security process here.

I've considered what happened with the complaint handling side of things. As our investigator has explained to Mr M, complaint handling alone is not a regulated activity. But I was pleased to see that Mr M was able to bring his complaint to our service despite the delays he had in receiving a final response letter. He contacted our service days after closing his account. Virgin Money sincerely apologised for closing his complaint without issuing a final response letter. And I'm satisfied that an apology is proportionate for what happened here. So it follows I don't require Virgin Money to do anything further.

### **My final decision**

I do not 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 7 February 2024.

Gregory Sloanes  
**Ombudsman**