

The complaint

Mr I complains that Clydesdale Bank Plc trading as Virgin Money froze his account and provided him with poor customer service.

What happened

Mr I says that on 17 March 2023, his bank account and savings account with Virgin Money were frozen, leaving him without access to much needed funds while he was struggling with health issues after losing his job. He said that despite making repeated attempts to contact Virgin Money, he was not provided with any assistance for four days, and he was repeatedly ignored by them. Mr I has said that he felt he was not treated equally due to his nationality. Mr I made a complaint to Virgin Money.

Virgin Money partially upheld Mr I's complaint. They said they had the right to terminate the relationship with any customer and they provided a website link to their terms and conditions confirming this. They said he was advised the freeze was due to post application checks that they completed. They apologised for the service he received from one of their call handlers and said this was not the level of service they would wish to provide to any of their customers. Virgin Money said Mr I was allowed to transfer money out of his account, and he had been served with a 60 days' notice of account closure. They offered him £25 compensation. Virgin Money issued a further response where they offered him an extra £150 due to health information Mr I provided them. Mr I brought his complaint to our service.

Our investigator did not uphold Mr I's complaint. He said the account was closed by Virgin Money and 60 days' notice was given by them, which they were allowed to do under the terms and conditions of the account. He said having listened to the calls Mr I had with Virgin Money, he found the call handlers to have acted as we would have expected them to.

Mr I asked for an ombudsman to review his complaint. He made a number of points. In summary, Mr I said he felt discriminated by Virgin Money and mentioned the Equality Act 2010 as they questioned the legitimacy of his income and closed his account shortly after he attempted to open a business account with them. He said he was unable to return to the bank which he switched from. Mr I said while perception of his calls could vary, he believes the customer service he received from several staff was a form of indirect rudeness and neglect. Mr I wanted £385,000 compensation for the impact of Virgin Money's actions.

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 I's complaint points. And I'm not going to respond to every single point made by him. No discourtesy is intended by this. Our rules allow me to take this approach. 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 I that it is not within this service's remit to tell a business how to run their processes or procedures such as how they run their security or vulnerable customer procedures, including when they should remove blocks from an account. 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.

Mr I has said that he suspects Virgin Money are not complying with their obligations under the Equality Act based on how they treated him. I've taken the Equality Act 2010 into account when deciding this complaint – given that it's relevant law – but I've ultimately decided this complaint based on what's fair and reasonable. If Mr I wants a decision that Virgin Money has breached the Equality Act 2010, then he'd need to go to Court. However, based on what Mr I has said in relation to Virgin Money discriminating against him, I am not persuaded that they treated Mr I any differently to other customers in similar situations, and I will explain why.

Virgin Money explained in their response to Mr I's complaint on 17 April 2023 that actions were taken due to post application checks being completed. Virgin Money have told us what these checks were, and while I can't disclose to Mr I what these checks were in order to ensure Virgin Money meets their legal and regulatory requirements, I can assure Mr I that they weren't in relation to his nationality. I've considered what Mr I has said Virgin Money questioning the legitimacy of his income, but Virgin Money have regulatory requirements to know their customers. And I would expect them to complete income checks with Mr I in the same way they would with any other customer – regardless of their nationality.

Unfortunately, Mr I's account was frozen while Virgin Money were completing their checks. Section 11 of Virgin Money's terms and conditions – which Mr I would've needed to agree with when opening his account shows they can say no to stopping payments out of the account. And based on the information I've seen, but I am unable to disclose, I'm satisfied that this was a proportionate course of action here. But I do think there could have been more that Virgin Money could have done here. I say this because on the complaint call, Mr I's friend asks the call handler about what can be done and explains the vulnerability of Mr I. The call handler says there are things they could do like allowing him to take cash from an ATM or the branch and indicates the block could be temporarily removed. It appears she lifted a block and Mr I withdrew £79.

So, if the block could have been removed temporarily to provide a small amount of money to be withdrawn/transferred from the account, then I'm persuaded that this could have been offered on a previous call to allow Mr I to have a small amount of money to pay for items such as food.

The freeze was on the account for less than four days. I appreciate that this will be of little consolation to Mr I given his financial situation at the time and the impact this had on his health, but I'm persuaded that Virgin Money did try to help Mr I here. I know he will strongly disagree with this, but I'm satisfied they made reasonable adjustments for Mr I which differed from their normal process to eventually remove the block. I say this because he would normally be required to go to a branch with his identification. But based on what Mr I told them about his health, they allowed him to upload these documents to them, which I think was the right thing to do in Mr I's circumstances.

I've considered what Mr I has said about the calls he had with Virgin Money and I acknowledge what he's said about how perspective of calls can vary. As Mr I was directly a part of these calls then his perception would likely be different to someone who wasn't on the calls. But I have listened to a number of calls he had with Virgin Money. There were calls where staff weren't able to help Mr I such as two calls I listened to when he had rung a

department unrelated to the issue, but they advised him of the opening hours of the relevant department.

Another call I listened to Mr I explains to the call handler that he is unable to visit a branch and he has uploaded documents as requested, but the call handler confirms that department isn't open until Monday, and she is unable to access the account for him. So although these people were unable to help Mr I, they gave him information to help assist him such as a telephone number direct to the relevant department and their opening hours.

There was one call I listened to which I thought the call handler could have made things clearer to Mr I. An example of this is when Mr I talks to the call handler about the block and the call handler tells him they are waiting for a check back to do with his driving licence. Mr I asks if she could speak to his friend who asks the call handler if he could speak to someone senior. The call handler tells Mr I she would see if someone was available, and the line went quiet and it appeared that the call handler was still at her phone and there was typing, which after a while caused Mr I's friend to ask if she was getting a supervisor. It was only at this time that the call handler explained she was working from home and needed to use a messaging service to see if a supervisor was available.

Mr I's friend had made it clear about Mr I's vulnerability on this call. Thankfully while he was on this call the information about Mr I's driving licence had been returned and the call handler was able to lift the blocks on Mr I's account on that call.

Virgin Money acted in line with their terms and conditions when they gave Mr I notice of the account closure. I know he has said that this was shortly after he applied for a business account with them, but I'm satisfied these events are not linked. I'm persuaded that Virgin Money would have taken the decision to provide Mr I notice of closure and close his personal account regardless of him applying for a business account, based on the notes I've seen about the closure of his personal account.

I've considered what Mr I has said about being unable to return to the bank which he switched from. But the actions of another banking provider would be out of Virgin Money's control, so I can't hold them responsible if a third party bank wouldn't allow him to return.

I've considered what would be a fair outcome for this complaint. Virgin Money have already paid Mr I £175 compensation. I'm aware that Mr I wants £385,000 compensation for the impact of Virgin Money's actions. But this would not be in line with our awards for compensation for what happened. And I know this will bitterly disappoint Mr I here, but I'm persuaded that £175 is proportionate for what happened here.

I say this because I do think there was more Virgin Money could've done such as allowing him a small amount of money for food during the time his account was blocked (although I accept Virgin Money need to balance this out with their legal and regulatory requirements). Based on the health information that Mr I provided Virgin Money and ourselves, this would have had a bigger impact on him than if he didn't have these health conditions. There were times as I've mentioned where a call could have been handled better and they could have taken Mr I's vulnerabilities into account more in their process in this instance. £175 is in line with our awards for the events that happened here. So if Virgin Money have not paid the full £175 to Mr I then they should pay him this money, but I don't require them to do anything further.

My final decision

Clydesdale Bank Plc trading as Virgin Money has already made an offer to pay £175 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that Clydesdale Bank Plc trading as Virgin Money should pay Mr I £175 for distress and inconvenience (less anything they have already paid him). But I won't be requiring them to do anything further.

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

Gregory Sloanes
Ombudsman