

## **The complaint**

Mrs H has complained that Clydesdale Bank Plc (trading as Virgin Money) deducted £2,000 from £6,000 in cash she says she deposited in branch.

Mrs H's Member of Scottish Parliament supported her in making this complaint and made submissions on her behalf. But for ease, I'll refer to Mrs H throughout this decision.

## **What happened**

Both sides are familiar with the case, so I'll summarise things in brief.

On 15 March 2023 Mrs H says she deposited £6,000 in old £50 notes at a Clydesdale branch via its self-service quick deposit system. The money belonged to her brother-in-law who had recently passed away. Mrs H says she'd deposited the money into her account so it could be converted into legal tender and given to her brother-in-law's widow.

On 23 March 2023 Mrs H contacted Clydesdale after noticing £2,000 had been debited from her account. Clydesdale explained to Mrs H that the debit related to the £6,000 deposit, which once counted and verified at its cash centre, totalled £4,000 not £6,000.

Mrs H maintained she had deposited £6,000 in cash and wanted Clydesdale to credit her back the £2,000 it had debited from her account. She was also unhappy that it had taken from 15 March to 23 March 2023 for Clydesdale to notify her of the apparent discrepancy.

Clydesdale said there'd been no banking error. It apologised for the time it had taken to check and verify the £6,000 deposit and to debit the £2,000. And it accepted it should've contacted Mrs H to let her know about the discrepancy. In recognition of that, Clydesdale paid Mrs H £200. It also apologised for the time it had taken to provide her with an outcome to her complaint.

Mrs H referred her complaint to the Financial Ombudsman. She was concerned that her integrity was being questioned during what was already a very difficult and upsetting time for her and her family. And she was adamant that both she and her husband counted the money before it was deposited.

Mrs H also questioned the thoroughness of Clydesdale's investigation. She wanted to know what evidence had been looked at from the cash centre to ensure all money had been safely received and correctly checked.

Our Investigator looked into things and didn't uphold the complaint. He didn't believe there was evidence of a banking error and thought the £200 paid by Clydesdale for its poor service was fair and reasonable. Mrs H didn't agree, so the complaint has been passed to me to decide.

Mrs H said there was no evidence to support Clydesdale's position. She maintained that her and her husband had double checked the amount to be deposited and were adamant this came to £6,000. She said she'd presumed the money would be accepted over the counter

but instead, Clydesdale directed her to use the quick deposit system - whereby the money is put into a deposit bag and sent to a cash centre run by a third party to be processed. Mrs H said Clydesdale didn't explain the risks involved of using this process.

Mrs H also said the significance of the money being made up of old £50 notes hadn't been properly considered. She questioned whether electronic counting machines still recognised the old notes. And she wanted to know what happened to those £50 notes, given they were no longer legal tender, and what records there were of that from the cash centre.

Mrs H also wanted to know if we'd viewed the CCTV footage referred to as part of Clydesdale's investigation. And what evidence we'd seen that the deposit bag hadn't been tampered with.

### **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've reached the same outcome as our Investigator – and for largely the same reasons. I realise this will be very disappointing for Mrs H and I'd like to assure her I haven't taken this decision lightly.

In doing so, I've very carefully considered all the evidence provided. I'd like to assure Mrs H that if I don't mention a particular point, it's not because I haven't considered it, but I've focussed instead on what I believe to be important to the outcome of this complaint.

I appreciate Mrs H's strength of feeling – and I don't underestimate the significance of the £2,000 to her. I also appreciate that this had been a difficult time for Mrs H and her family, and I'd like to offer my condolences for the loss of her brother-in-law.

In reviewing this complaint, I need to look at things objectively. Essentially, I can only tell Clydesdale to credit the disputed £2,000 if the evidence supports that it was deposited by Mrs H.

I should also add that where the evidence is incomplete, inconclusive, or contradictory, I must make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

Firstly, Mrs H is unhappy she was unable to deposit the money at a counter – and that she was unaware of the risks associated with the quick deposit system. It's not for me to comment on how a business chooses to operate its processes. And there's no suggestion from Clydesdale in the information I've seen that the quick deposit system isn't secure.

As part of my review, I've thought carefully about Mrs H's testimony. I've also seen correspondence between Clydesdale and the cash centre, a copy of the records showing the £2,000 discrepancy, a photo of the bag Mrs H used to deposit the cash and the deposit slip completed by Mrs H.

I've no reason to disbelieve Mrs H's version of events. She clearly thought she was depositing £6,000 and documented this on the deposit bag and on the deposit slip. But the documentary evidence I've seen consistently matches with there being a discrepancy between what Mrs H thought she was depositing, and the actual amount being deposited.

I can see the reference on the deposit bag matches the records which show the deposit was recorded as £6,000 but amended to £4,000, and the discrepancy of £2,000 was reported to Clydesdale accordingly.

Clydesdale has also provided information from the cash centre about how the money was counted, as well as records to support that. It confirmed that the £50 notes were put through a desk top counting machine – and the amount recorded was £4,000. The cash centre also confirmed that the amount was verified by two members of staff and the £2,000 discrepancy was signed off by a supervisor.

I've also seen a report to show the number of £50 notes counted by the counting machine matched the amount transferred out of the cash centre. This suggests to me that there weren't £50 notes misplaced during the cash centre counting process.

Clydesdale looked at CCTV footage as part of its investigation, but it's told us this isn't easily available for me to view due to security reasons. But given the weight of other evidence, primarily the records which support what Clydesdale says the CCTV footage shows - specifically that the money was taken out of the deposit bag and placed in the counting machine where a discrepancy was recorded - I don't consider me having sight of the CCTV footage to be of significance to my review.

Furthermore, I've seen no evidence of criminal activity. There's no evidence to suggest the deposit bag was tampered with – and the cash centre's review of the CCTV footage confirmed the money was always visible.

So, looking at the available evidence, as well as the wider surrounding circumstances, I think it's unlikely, on balance, there was a banking error here.

This is a difficult message for me to give as I know how strongly Mrs H feels about this matter. But given the evidence I have and on the balance of probabilities, I'm unable to reasonably reach any other conclusion.

Clydesdale accepts it should've told Mrs H sooner about the discrepancy it identified. But it has paid her £200 to reflect that. I consider that to be a fair and reasonable level of compensation for the impact this had on Mrs H, and in line with what I'd have awarded had Clydesdale not made an offer.

Taking all the evidence into consideration, I don't think this is a case where it would be fair and reasonable for me to ask Clydesdale to credit £2,000 to Mrs H. So, I'm not going to tell Clydesdale to do anything further to resolve this complaint.

### **My final decision**

For the reasons I've explained, I don't uphold Mrs H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision **before 21 September 2023**.

Anna Jackson  
**Ombudsman**