

The complaint

Mr C complains about the service he received from Clydesdale Bank Plc, trading as Virgin Money, after he was the victim of a scam.

What happened

In June 2022, Mr C's wife received a number of messages through an instant messaging service from someone claiming to be their daughter. The messages initially said they had lost their phone and so were using a temporary number. Then they said they had a bill that needed paying but couldn't access their mobile banking, so asked if Mr and Mrs C would pay the bill for them. As Mr and Mrs C believed the messages were coming from their daughter, they agreed and Mr C made a payment of £933.21 from his account to the bank details the messages gave him. Unfortunately, we now know the messages were coming from a scammer.

The scam was uncovered after the messages asked if the payment had been made. Mr and Mrs C then became suspicious and Mrs C phoned their daughter's husband, who confirmed the daughter hadn't sent them any messages. Mr C then reported the payment to Clydesdale Bank as fraud, and asked it to refund the money he had lost.

Clydesdale Bank investigated and initially said both it and Mr C were liable, so refunded 50% of the money he had lost. It also offered Mr C £50 compensation for the poor customer service he had received when raising his claim. Mr C wasn't satisfied with this, so Clydesdale Bank reviewed the case again and agreed to refund 100% of the money Mr C had lost, and to pay him a further £30 compensation. Mr C remained unsatisfied with the amount of compensation Clydesdale Bank had offered, and so referred a complaint to our service.

One of our investigators looked at the complaint. They said they felt the amount of compensation Clydesdale Bank had offered was reasonable, so they didn't think it should have to pay anything further. Mr C disagreed, so the complaint has been passed to me.

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.

Clydesdale Bank has already refunded the money Mr C lost as a result of this scam, plus interest. So it has already put him back in the position he would have been in had he not fallen victim to this scam. And so I haven't considered the money he lost any further.

Mr C has said he's unhappy with the way he was treated by Clydesdale Bank when he first raised this claim. He's said Clydesdale Bank didn't show any empathy or understanding and that he's been caused a significant amount of stress by the amount of time it took for Clydesdale Bank to agree to refund all the money he lost. He doesn't think the £80 compensation Clydesdale Bank has offered is fair.

I've listened to recordings of the calls with Clydesdale Bank about this claim. And I agree that the customer service Clydesdale Bank provided fell below the standard we'd expect, particularly in the call when the scam is first reported. I think the Clydesdale Bank employee was abrupt and sounded disinterested and unsympathetic.

But firstly, it was Mrs C, not Mr C, who had this call with Clydesdale Bank. And I can only consider the distress and inconvenience suffered by the person bringing the complaint. And as the payment sent to the scammer here was sent from a sole account in Mr C's name, he is the person bringing the complaint and so I can only consider the distress and inconvenience he personally suffered.

So while I agree that the customer service Clydesdale Bank provided in this call was poor, I think the majority of the distress and inconvenience this will have caused will have been to Mrs C, rather than Mr C.

And secondly, Clydesdale Bank has accepted that the service it provided could have been more appropriate. It has now offered its sympathy to Mr and Mrs C for the situation they found themselves in when they became the victims of a scam. And it has apologised for the service they received and paid a total of £80 compensation for this poor service.

And I think this is in line with what the Financial Ombudsman Service would have recommended in these circumstances for the poor customer service Clydesdale provided and the distress and inconvenience it caused. And so I think this is a fair and reasonable resolution to this complaint.

I appreciate how strongly Mr C feels about this complaint, and that my decision will likely come as a disappointment to him. But I don't think the customer service Clydesdale Bank provided in its other contact with him fell significantly below the level we'd expect.

Clydesdale Bank is also entitled to investigate what has happened and consider whether it is responsible for refunding the full amount a customer has lost. So I don't think it would be fair to require it to pay further compensation for not initially refunding Mr C in full. And it is important to remember that the initial cause of the loss Mr C suffered, and the distress and inconvenience he was caused, was the scammer – rather than Clydesdale Bank.

And so I don't think it would be fair to require Clydesdale Bank to pay any further compensation here.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 8 September 2023.

Alan Millward
Ombudsman