

## **The complaint**

Mr W complains Clydesdale Bank Plc, trading as Virgin Money, closed his account without explanation causing him inconvenience and distress. He also complains about poor customer service.

To keep matters simple, I'll mainly refer to 'Virgin' in my decision.

## **What happened**

On 10 May 2022, Virgin sent Mr W a letter of its decision to close his bank account in 60 days' time from the date of the letter.

Mr W says he tried to contact someone to complain about this as set out in the letter but was told to go into branch. But the nearest Virgin branch was some way away in another town. Here he was told to call another telephone number, and then another, but both operatives told him nothing about the reasons for closure.

Unhappy, Mr W complained. Virgin didn't uphold Mr W's complaint. In short, it said there hasn't been a banking error, the account has been closed in line with the terms of the account and it doesn't need to explain its actions.

Mr W referred his complaint to this service. One of our Investigator's looked into Mr W's complaint, and they didn't recommend it be upheld. In summary they found:

- Virgin's decision to close Mr W's account was in line with the terms of the account, and was fair and reasonable
- Virgin are under no obligation to give Mr W an explanation for its actions
- Though the exact date the account would be closed was left blank on the notice of closure letter, Virgin had told Mr W it would be closing the account in 60 days from the date of the letter. So Virgin's communication was clear enough

Mr W did not agree with what our Investigator said. He says this account was closed due to separate complaint he raised about his credit card - and being sent to branch and then having to make calls to a fraud department, caused him distress and inconvenience.

Mr W also complained about Virgin not complying with his data subject access request. But as our Investigator explained this needs to be dealt with separately, so will not be the subject of my decision.

As Mr W didn't agree, this complaint has now been passed to me to decide.

## **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 decided not to uphold this complaint. I'll explain why.

Banks in the UK, like Virgin, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means banks need to restrict, or in some cases go as far as closing, customers' accounts.

I note Virgin didn't restrict Mr W's account in any way but wrote to him to explain its decision to close his account in 60 days' time. Virgin is entitled to close an account just as a customer may close an account with it. But before Virgin closes an account, it must do so in a way, which complies with the terms and conditions of the account. However if a complaint about it has been referred to this service, it must show us why it acted as it did.

The terms and conditions of the account, which Virgin and Mr W had to comply with, say it could close the account by giving him at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

Having looked at the information given to me by Virgin, I'm satisfied it was entitled to close the account in the way that it has done. As I said above, Virgin had written to Mr W to explain its actions in May 2022.

I can understand why Mr W wants an explanation as to why Virgin took this course of action. But I am not aware of any obligation under which it must do this.

Mr W says this matter has caused him trouble and upset. I do appreciate this matter would've caused him some difficulty. But having looked at what's happened in this particular case, I can see no basis on which I might make an award against Virgin given that I don't think it failed to properly follow its own procedures when it closed Mr W's account.

I also note Mr W had full access to his funds and was able to facilitate a switch to another bank which was instigated in the corresponding month of June 2022. He also says he had another separate bank account. So I think any impact to him was minimal. Though, as I've said, I can appreciate why this caused him inconvenience and some distress.

Mr W complains about the omission of a specific date on the notice of closure letter. But the letter starts by saying the account will be closed in 60 days from its date. So I don't think Virgin failed in clearly explaining what was going to happen to him.

Mr W also says Virgin's customer service standards were poor as he was told to go into branch some distance away and there, he was told to call other departments who were unable to give him an explanation.

As I've said, Virgin have acted in line with the terms of the account, and fairly and reasonably in closing Mr W's account. It's unfortunate Mr W faced some inconvenience and distress here, but as Virgin did nothing wrong, I don't find basis enough to award any compensation for poor customer service.

### **My final decision**

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 20 October 2023.

Ketan Nagla  
**Ombudsman**