

The complaint

Mr D complains about the way Clydesdale Bank Plc trading as Virgin Money dealt with a payment dispute. Mr D also complains that a payment to purchase a car wasn't made as directed. Mr D's told us compensation Virgin Money offered wasn't paid.

What happened

Mr D had a current account with Virgin Money. On 16 February 2023 a payment of £24 was taken from Mr D's account by a merchant. Mr D went on to dispute the payment with Virgin Money. The payment was later refunded by the merchant and paid back into Mr D's account on 24 February 2023. Mr D has told us that he found it difficult to contact Virgin Money to discuss the payment and that he wasn't called back as promised.

On 2 March 2023 Mr D made a payment of £7,500 in relation to a car purchase. The payment was held by Virgin Money's fraud prevention systems. Once Mr D was able to speak with agents at the bank and verified the payment was genuine it was released.

Mr D complained and Virgin Money issued a final response on 15 March 2023. Virgin Money said the payment Mr D disputed was refunded to his account and offered him £25 for service issues he experienced during the call. Virgin Money added that it had correctly held the car payment for further checks and offered Mr D a further £25 as a gesture of goodwill. Virgin Money didn't agree that calls Mr D had with its agents were handled poorly. Virgin Money said the compensation would be paid to Mr D's account within 21 days.

Virgin Money's explained that Mr D's account was switched to a new provider a short time later. As a result, the settlement payment it offered in its final response couldn't be made as planned. Virgin Money says the payment was subsequently sent to Mr D's new bank account at the end of March 2023.

Mr D referred his complaint to this service and it was passed to an investigator. They thought Virgin Money had reasonably held Mr D's car payment for further checks, in line with the account terms and conditions. The investigator agreed there were service issues but thought Virgin Money's settlement totalling £50 was a fair reflection of the distress and inconvenience caused to Mr D so didn't ask it to do anything else. Mr D asked to appeal, so his complaint has been passed to me to make a decision.

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.

I'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've

focused on what I think are the key issues. My approach is in line with the rules we operate under.

A payment of £24 was taken by a merchant from Mr D's account on 16 February 2023. Mr D contacted Virgin Money to raise a dispute and has told us there were delays getting in contact. When Mr D was able to speak with Virgin Money he was promised a call back but says none was received. Virgin Money's provided a bank statement that shows the merchant refunded the disputed £24 on 24 February 2023. So I'm satisfied the funds were returned and Mr D's account was put back into the correct position.

Virgin Money's provided evidence from its contact notes that indicates it attempted to contact Mr D on 23 February 2023 to discuss the payment. But the payment was ultimately refunded the following day. I agree that there were some delays in speaking with Virgin Money and that the service it provided could've been better. But I'm satisfied Virgin Money took the issue on board and I'm pleased the funds were returned to Mr D's account without an unreasonable delay. In my view, Virgin Money's offer of £25 for the issues Mr D raised is a fair and reasonable level of compensation that recognises the level of distress and inconvenience caused.

A payment of £7,500 was held by Virgin Money on 2 March 2023. I can understand why this was concerning to Mr D, especially as he was attempting to make an important purchase. But I have to balance the inconvenience caused to Mr D against Virgin Money's obligation to protect customers from fraud. Virgin Money has explained the sum Mr D was paying was substantial. In addition, the payment was to a new recipient Mr D hadn't paid before. Virgin Money's provided information that shows the payment was held by its fraud prevention systems for additional checks before it could be released. I accept this caused Mr D some inconvenience. And I agree with the investigator that Virgin Money should've attempted to contact him when the payment was held. But Mr D contacted Virgin Money to check what was happening and it was ultimately able to release the payment.

I've reviewed Virgin Money's account terms and conditions and they allow it to place a payment on hold if it has suspicions of fraud. I'm satisfied Virgin Money fairly highlighted Mr D's car payment for further checks before releasing it. Overall, I haven't been persuaded that Virgin Money made a mistake or treated Mr D unfairly.

When Virgin Money issued its final response it offered Mr D a total of £50 for service issues and as a gesture of goodwill. I've reviewed all the available information supplied by both Mr D and Virgin Money. I'm satisfied that Virgin Money's offer of £50 recognises the distress and inconvenience caused to Mr D and is a fair and reasonable way to resolve his complaint. To put it another way, the settlement is very much in line with the award I would've made if Virgin Money hadn't already made an offer. As I'm satisfied Virgin Money has already agreed a settlement that is fair and reasonable in all the circumstances I'm not telling it to increase the award.

Virgin Money's explained that its £50 settlement payment was delayed as Mr D's account was closed following a switch to a new provider. But Virgin Money's provided some systems information that shows the payment was forwarded to the new bank at the end of March 2023. I can see our investigator asked Mr D to supply bank statements from his new account for the period in question but they don't appear to have been provided. If Mr D's new bank account didn't receive the £50 payment, he has the option of contacting our investigator. If Mr D's statements with his new bank don't show evidence of the settlement being received, we'll ask Virgin Money to make the payment, in line with its offer in the final response.

I'm sorry to disappoint Mr D but as I'm satisfied Virgin Money has dealt with his case fairly I'm not telling it to do anything else.

My final decision

My decision is that Clydesdale Bank Plc trading as Virgin Money has already agreed a settlement that is fair and reasonable in all the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 1 December 2023.

Marco Manente
Ombudsman