

The complaint

Mr M has complained that Clydesdale Bank Plc trading as Virgin Money ("Virgin Money") closed his account.

What happened

Mr M attended a branch of Virgin Money to pay in £400 to deposit into his account and pay off his credit card. Mr M says that the staff members took exception to him paying with coins and was told there was a limit on how many coins he could pay in each visit. Mr M says he was told to put the coins in a bag, but he says the members of staff refused to provide him with a receipt to confirm how much money he'd paid in.

Mr M says he raised a complaint about this, and subsequently discovered that Virgin Money was closing his accounts. Mr M says that he didn't receive a letter informing him of the account closure as it was incorrectly addressed.

Mr M says that after a visit to the Virgin Money branch when he discovered that his account was being closed, the police were called to his house, as they had received a complaint from Virgin Money that he was intimidating the branch staff.

After Mr M referred his complaint to this service, one of our investigators assessed the complaint and they were unable to conclude that Virgin Money had acted unfairly or unreasonably.

Mr M disagreed with the investigators assessment, so the matter was referred for an ombudsman's 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.

Having reviewed everything, I don't uphold the complaint. I will explain why.

As a financial business, Virgin Money is able to decide who it wants to provide accounts and services to – in much the same way that Mr M is free to decide who he banks with. But it's also entitled to decide whether it wants to continue providing customers with accounts and services on an ongoing basis.

This is reflected in Virgin Money's account terms and conditions which say:

"We can close your account whenever we like

As long as we write to you or email you to let you know two months before it closes. If we close your account, we'll try to send the money in your account to you together with any interest.

We can also close your account without telling you first. We'll only do this if we have good reason to think that:

...

- *You've been threatening to any of our team."*

So based on the above, in general Virgin Money can close an account providing two months' notice is given. Alternatively, it can close an account immediately, if it has reason to think that, amongst other things, an account holder has been threatening to staff.

In this case, I can see that Virgin Money decided to end its banking relationship with Mr M. I understand this was because branch staff felt intimidated by Mr M, after it seems he'd become frustrated that not enough tills were open to serve customers. So I've considered whether Virgin Money has made that decision fairly in the circumstances.

In terms of the behaviour that Virgin Money has objected to, I recognise that Mr M disputes what happened and says he is '*totally innocent to this charge of intimidation*'. Mr M says that it is the other way round and that he was harassed by the branch manager.

Due to the evidence that is available, I can't be sure of what exactly occurred or indeed, who said what. Where that's the case, I have to decide what's more likely than not to have happened based on the balance of the evidence that is available to me.

Mr M says that he attempted to pay in £400 worth of coins in August 2022, and was taken into an office where he was told to put the coins into a large bag so it could be counted in another branch. Mr M says he asked for a receipt and his request was refused. Mr M says he raised a complaint, but didn't get a response to his complaint and later discovered that his account was being closed. Mr M says that he was harassed by the branch manager and was either ignored or refused to be served when he was queuing up.

Conversely, Virgin Money says that Mr M was abusive to staff, especially after he was directed to use an express deposit money machine to pay money in. Virgin Money says that Mr M's behaviour had been unacceptable on a number of occasions, resulting in staff being intimidated by him. It says this is why the decision was taken to close Mr M's account and was why the police were called about his behaviour in branch.

Having considered the competing testimonies, it's clear that things become heated when Mr M was in branch. And it also seems that Virgin Money had concerns about Mr M's behaviour more than once, rather than just the times that Mr M refers to (when he attempted to pay £400 in, or when he discovered his account was closed).

In the circumstances, it does appear that staff members felt intimidated by Mr M – Mr M may not have intended that to be the case and was perhaps just frustrated with the circumstances. But having considered everything, I find it unlikely that Virgin Money would've taken the decision to close Mr M's account – who was a long-standing customer - unless it had genuine concerns about his behaviour in branch.

I don't think the account was closed just because Mr M wanted to keep paying in a large number of coins into his account, as his more recent responses to this service seem to imply. I also think the fact a member of staff went to the lengths of calling the police about a customer does indicate that Mr M's behaviour was, in all likelihood, unreasonable. I say this as I don't think that branch staff would take the decision to call the police lightly. Mr M may see that as disproportionate, but equally – I have to be impartial and consider that Virgin Money's member of staff felt that was an appropriate step. So, in the circumstances, I think Virgin Money was, on balance, entitled to take the steps it did and to decide to close Mr M's account.

Once this decision had been made - Virgin Money wrote to Mr M in August 2022 and explained that it would close his account in two months. Although this letter looks to have been issued in line with Virgin Money's terms and conditions, it seems that Mr M didn't receive this letter, as there was a typo in the post code on the letter. In the circumstances, it was clearly unfortunate that Mr M didn't receive this letter and it appears he only found out about his account being closed when he visited a Virgin Money branch.

Although Virgin Money clearly made a mistake in including the wrong postcode in its letter, I don't think this means I should uphold the complaint. I say this because firstly, even if Mr M had received the letter, the outcome would be the same and his account would still have been closed when it was. Furthermore, Mr M has not said that he incurred any additional inconvenience by not receiving the closure notice letter - other than the inconvenience he would've incurred anyway (such as having to open an account elsewhere) due to his account being closed. Although I recognise that there would've been added urgency for Mr M to open an account with another financial business.

I also think it's the case that, as Virgin Money had decided to close Mr M's account because of his behaviour towards staff in branch, Virgin Money could've closed Mr M's account without providing any notice. That would have been in line with the terms here. So, in the circumstances I can't reasonably say that Virgin Money has acted unfairly or unreasonably, even if Mr M didn't receive the notice to close letter.

I appreciate Mr M's frustration with the actions of Virgin Money, and he may feel it has overacted or is being unreasonable. But in the circumstances, I'm satisfied Virgin Money was reasonably entitled to close Mr M's account and acted in line with its terms and conditions by doing so.

Because of this, I don't think I can fairly or reasonably require Virgin Money to reinstate Mr M's account. Nor can I reasonably say that Virgin Money should pay Mr M compensation because he is unhappy with its decision to close his account.

My final decision

Because of the reasons given above, I don't uphold this complaint.

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

Thomas White
Ombudsman