

The complaint

E, a limited company, complains about the problems it faced trying to open bank accounts with Clydesdale bank Plc trading as Virgin Money.

E's complaint is brought by Mrs B, a director of E.

What happened

E offers a professional service that requires it to open different client accounts with Virgin Money. In 2022, E complained to Virgin Money about delays and a lack of communication when opening client accounts. E was also unhappy about some of the account opening process.

After considering E's complaint, Virgin Money apologised and offered £400 compensation. Virgin Money also sent E an online banking form to help streamline the account opening process.

E didn't accept Virgin Money's offer as it didn't reflect the time taken opening client accounts over many years. E also asked Virgin Money to give team members mobile and web based access to the accounts.

E tried to open another client account in early 2023 but didn't hear back from Virgin Money despite sending several emails. Mrs B complained to Virgin Money and it apologised for the backlog in account applications. Virgin Money said there had also been a delay in the accounts being available on the app but that E should now have access to them. Virgin Money paid E £200 to apologise for the inconvenience caused by the delays.

Our investigator didn't recommend upholding E's complaint in the sense that he thought Virgin Money had offered and done enough to put things right.

Mrs B is unhappy with the investigation outcome. She asks when the £600 was paid or whether it's due to be paid. Mrs B doesn't think that Virgin Money has provided a reasonable client account opening process so E has decided to move to a different bank. Mrs B says that the client accounts which E requires are unique and that the account link our investigator provided is not suitable for E.

Mrs B says that the focus of E's complaint is not just about securing compensation but requiring Virgin Money to have a more straightforward process in place for opening client accounts for E's specific business needs.

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 realise that I've summarised this complaint in less detail than the parties and I've done so using my own words. I've concentrated on what I consider to be the key issues. The rules that govern this service allow me to do so. But this doesn't mean I've not considered

everything that both parties have given to me.

I appreciate Mrs B's wish to get Virgin Money to improve on the processes that it uses when opening client accounts for regulated businesses such as E. But it's not the role of the Financial Ombudsman Service to tell Virgin Money how to run its business – it would be for the regulator – the Financial Conduct Authority – to make decisions about the way in which Virgin Money's policies and procedures are carried out. My decision is limited to whether Virgin Money has treated E unfairly, and if so, whether it's already done or offered enough to put things right.

I don't doubt that Mrs B has spent considerable time chasing the opening of E's client accounts. But this service doesn't generally award compensation on an hourly or daily rate. Instead, I make my award based on the impact the mistake had on E as a limited company.

I appreciate Mrs B says the problems E has faced with Virgin Money are longstanding but for the purpose of deciding whether Virgin Money has done enough to put things right – I have looked at the complaints Virgin Money dealt with its' final response letters of December 2022 and February 2023. If E can point to any other specific instances of delays when opening client accounts, Virgin Money has said that it will consider this information. I consider this to be fair and leave it with E to decide whether to do so.

For the failings in 2022 and 2023, I consider Virgin Money's apologies, together with its attempts to put things in place to prevent future delays and its offer to pay a total of £600 compensation is fair.

An award of compensation totalling £600 is towards the top end of an award this service might make where the business's mistake has caused significant inconvenience and the impact has lasted over weeks or months.

Although in E's complaint it mentions the possibility of fines being applied by its regulator if accounts are not opened in time, I don't think this has actually happened. As I don't have evidence to show that E has lost out financially in other ways, I consider £600 is fair compensation.

My understanding is that Virgin Money has already paid E £200 – so if E accepts my decision, it will need to pay the remaining £400 that it previously offered.

My final decision

Virgin Money has already paid £200 and made an offer to pay £400 to settle the complaint and I think this offer is fair in all the circumstances.

So, my final decision is that Clydesdale bank Plc trading as Virgin Money should pay E £400 if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask E to accept or reject my decision before 7 December 2023.

Gemma Bowen
Ombudsman