

The complaint

Mrs M complains Clydesdale Bank Plc trading as Virgin Money (Virgin) haven't updated her name on her current account with them leading to significant problems for her.

What happened

I issued a provisional decision setting out what'd happened, and what I thought about that. I've copied the relevant sections below, and they form part of this final decision.

In May 2020 Mrs M changed her name by deed poll and did so again in July 2020. In September 2020, she got married so her title changed from Miss to Mrs at this time. Following these changes Mrs M had many problems receiving debit cards with her correct name on them and has experienced significant frustration at Virgin not helping her to sort out these issues – contacting them on lots of occasions but without them resolving the matter. She said she's also tried to switch banks, but each effort is rejected. She said she felt Virgin were making her commit identity fraud, so she complained.

In January 2021 Virgin replied to Mrs M's complaint. They said they understood Mrs M was unhappy at receiving multiple debit cards which had the incorrect names and titles, she was given the wrong advice about how to get this sorted and had contacted them on many occasions. They said they also understood she had issues closing and switching her account. They said it's clear Mrs M had sent the relevant deed polls to show the change of name, but they didn't update their systems properly which was why the cards were sent with the wrong details. Virgin also said they could see Mrs M had many conversations over several months, and all agents except one said she'd be able to resolve this over the phone with their complaints department. They said they accepted more could have been done to support Mrs M, will give feedback to the relevant departments, and paid her £100 compensation for this.

Unhappy with this Mrs M got in touch with us. And in May 2021 she sent us a copy of a letter she'd sent to Virgin. In this letter, she said the issue has been ongoing for almost two years at this point. She said she'd sent letters to head office, her current branch and her previous branch to make sure her change of name went through properly. She said she was given confirmation it'd been changed. But her accounts still show differently on Virgin's systems. She said Virgin had now sent 19 different debit cards, and recently had received three cards at the same time – all with the wrong name on. She said she'd been arrested for identity theft and money laundering as a result of Virgin's incompetence. She added her credit score has now dropped and has been registered on the Credit Industry Fraud Avoidance System (CIFAS). Mrs M has said this has had a severe effect on her health – I've not detailed specifically what she's said out of respect for her privacy.

CIFAS is a system people can be registered on so when further credit is being applied for, lenders are aware and may carry out enhanced checks to ensure they're lending to the correct person.

Mrs M has also complained Virgin sent her letters about an overdraft she says she never applied for.

While waiting for our Investigator to reach his outcome, Mrs M received multiple contacts from Virgin showing the wrong name – the latest of these was in July 2021.

One of our Investigators looked into things and upheld Mrs M's complaint in August 2021. He said Virgin needed to ensure they'd updated everything correctly on their system, cancel an active card in a wrong name for Mrs M, and pay her an additional £100 compensation (this would make the compensation £200 total).

Virgin said they accepted this outcome, but Mrs M didn't. She said Virgin were ruining her life and provided further evidence – including letters addressed incorrectly in September 2021.

What I've provisionally 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.

Mrs M has raised a large number of issues, so I've separated them out into different categories below in order to address them.

Virgin not updating Mrs M's name correctly on their systems

Mrs M's initial complaint stemmed from Virgin continuing to use either her old names or addressing her incorrectly when writing to her by using "Mrs" and her maiden name. She's said this has had a significant impact on her – which I'll come back to in a later section. Virgin's response to Mrs M's complaint was issued in January 2021. They accepted they'd not updated her name correctly on their systems as they should have done, said sorry, and awarded £100 compensation.

But, on reviewing what's gone on since, it's clear Virgin didn't update things correctly as they said they had – either when she got in touch, or in their complaint response. That's because, as I've said above, Mrs M has continued to send us evidence of information that's been provided in the wrong name.

That's very disappointing and is worthy of compensation. I'll cover this at the end.

I did though want to say Virgin told us, on 13 October, that everything has now definitely been updated on their systems. I'm acutely aware of course they've previously said this. During the course of this complaint Mrs M has been very proactive in sending us updates when she's received something in the wrong name – the last of which was prior to 13 October. So, it could be Virgin have now, finally, recorded Mrs M's correct name. But, if she's got any evidence to suggest, after 13 October, they've sent her something in an incorrect name she can let us know – and we'll consider that further. I can see Mrs M told us on 26 October they'd still not updated her name, but she's not said why or provided copies of what she's received to show this. So, I don't know the date of it – and whether it was before or after 13 October.

Debit cards in the wrong name

Mrs M has said she's still not got a card in the correct name. Virgin have said she's been sent correct cards – and they've provided a screenshot from their internal system to show the history of cards ordered and in what names.

This does show she was provided with multiple cards in the wrong name, after she'd updated her details with them. Again, this is disappointing – and I'll come back to this at the end.

But this same screenshot also shows she was provided a card, in her correct name, in May 2021. I have noted Mrs M has said, after May 2021, she's not got a card in her correct name. This screenshot backs up what Mrs M has said about the number of cards she's had in the wrong name, so in that sense it's an accurate record. With that in mind, I can't ignore what this same evidence says about a card that has been issued in Mrs M's correct name.

On balance, without further information, I think it's reasonable for me to say it's more likely than not Mrs M has been issued a card in her correct name.

The impact of the wrong name being recorded on her debit cards

Mrs M has said she's been arrested for money laundering, is now listed as a high-risk tenant, and has been accused of benefit fraud twice.

I arranged for us to ask Mrs M about this. Clearly, if she was arrested as a direct result of Virgin's actions that'd be very serious. But I also explained to Mrs M it'd be difficult for me to consider the impact fully without evidence to back up each of these claims. Being arrested, listed as a high-risk tenant and being accused of benefit fraud are all quite serious issues. But Mrs M hasn't provided anything regarding these points. So, although I realise Mrs M may be disappointed regarding this, I can't factor them in when thinking about the impact on her. Mrs M also said her health has significantly suffered as a result of Virgin getting the name on her debit card wrong. I arranged for us to ask her more about this, including whether she had any evidence from her doctors about the specific impact of Virgin's actions on her health. Mrs M has provided some information, for which I thank her for as it's clearly very sensitive information. I'll take that and everything else she's told us into account.

Mrs M has also talked about CIFAS records, and about her credit file – of which I have some information to try and answer her points here.

In relation to CIFAS Mrs M completed a Subject Access Request with them directly. This showed two entries – the first on 14 August 2019, and the second on 12 April 2021.

The August 2019 one has been recorded by Virgin. The notes Mrs M provided to us say the reason for this record being created by them is "Undisclosed address with adverse credit data". This entry pre-dates Mrs M changing her name in May 2020 – and doesn't appear to relate to the same issues which are the subject of this complaint. Because of that, it would appear this is a new issue – so, if Mrs M is unhappy with the recording of this entry, she'd need to raise a new complaint with Virgin.

The second CIFAS entry, recorded in April 2021, says it's been recorded by CIFAS themselves, and the reason is listed as "Protective registration necessary". The detailed explanation says this is usually recorded when someone's personal details may have been compromised, and they want to protect themselves from further fraud. Usually, because of the reason for the entry being recorded, it's recorded by the individual themselves. It's unclear to me if Mrs M does or doesn't recognise this entry. But, if she doesn't recognise it, she may wish to speak to CIFAS directly and discuss it further with them.

Overall then, regarding CIFAS entries, I've not seen anything to show Virgin have recorded an entry against her as a result of the name change issues. So, I don't currently uphold this element of Mrs M's complaint.

In relation to Mrs M's credit file, she's said it keeps dropping as a direct result of Virgin's actions about not recording her name correctly. And she's provided evidence to show her credit score has dropped.

I also arranged for us to ask Virgin about this. They said they weren't reporting any negative data to the credit reference agencies – and provided a screenshot to show this. Virgin also said Mrs M has one active County Court Judgment (CCJ) against her, and a further three inactive ones.

The evidence Mrs M has provided is a screenshot showing her credit score has dropped – but it doesn't say why. Lots of factors can feed into a credit score and the reason why it might be the way it is – one of which will be CCJs. A CCJ is a judgement issued by a court saying the individual owes someone money and they must pay it.

I'm aware that'd have a significant effect on someone's credit score. We also asked Mrs M why she felt the name change not being completed correctly resulted in her credit score dropping. Mrs M didn't clarify that.

Generally, I wouldn't expect a name change to have a significant effect on someone's credit score like Mrs M is saying. So, taking everything into account, I can't reasonably say Virgin are the sole reason Mrs M's credit score has been significantly reduced as a result of the name change issues set out in this complaint.

Account switching

During the course of the complaint, Mrs M has said she's been prevented from switching her account from Virgin to another current account provider.

I arranged for us to ask her for evidence of this, and also asked Virgin what their position was regarding this.

Mrs M provided a screenshot of a switching application showing one account had been moved to another provider, but her account with Virgin hadn't been.

Virgin said they weren't aware of any reason why Mrs M wouldn't be able to switch.

The screenshot Mrs M has provided shows a red X against Virgin's name – showing it's not been switched. But, there's no information on what she's provided to say why her account with Virgin didn't switch.

So, I can't know for certain what's happened. It's also not clear if Mrs M is saying Virgin have actively done something to prevent her from switching her account, or as a direct result of the issues they've had with updating her name that's caused the problem switching.

I've not seen anything to show Virgin have actively tried to stop her switching accounts. But I think it's at least possible Virgin's errors in not fully updating Mrs M's name on their systems have caused this. Mrs M will likely have applied to switch account using her correct name. So, if the account names didn't match, it could comfortably be a reason for the switch not happening. Again, I'll factor this in at the end.

Overdraft application

On 5 July 2021 Mrs M received a message (addressed incorrectly) about an overdraft. She says she never applied for an overdraft, so didn't understand why she'd received this message.

Virgin issued a new response to Mrs M on 21 December 2021 to say they didn't believe the application had been made by anyone other than Mrs M, as the same mobile number had been used.

I've also seen, during the course of the complaint, Mrs M saying she did apply for this overdraft. In their response to the application, Virgin said it was turned down because the type of account Mrs M had didn't have an overdraft facility available on it.

Overall, I think it's likely she did apply for the overdraft, so I don't currently plan to uphold this complaint.

Summary

I think it's reasonable for me to say Virgin have badly let Mrs M down. She's attempted on many occasions to get her name changed and Virgin have repeatedly failed to do so, despite assurances they'd resolved the issue.

I think this is especially poor, because Mrs M has told Virgin about her health issues, so they should have known this would have a bigger impact on her than it might on others.

As I've listed above, Mrs M has claimed the impact on her has been significant. But, in order to fully consider some of the points she's raised, I'd require further information which to date hasn't been provided. If Mrs M provides further information in response to this provisional decision, I'll take that into account.

Overall, for the excessive amount of debit cards she's had to get cancelled, the potential for the account switching to be affected, and the significant inconvenience she's been caused – I think Virgin should pay Mrs M £600 in compensation based on the information currently provided by both parties.

Responses to my provisional decision

Mrs M said she accepted it.

Virgin queried the amount to be paid as whether it was £600, or £700, as they'd already paid £100.

In advance of drafting this final decision, we clarified with Virgin it was £700 (an additional £600, plus the £100 already paid), which they accepted.

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.

As both parties have accepted my outcome, I've seen no reason to depart from my provisional conclusions. Virgin have caused Mrs M significant amounts of inconvenience and need to pay a further £600 compensation – bringing the total to £700 taking account of the £100 already paid.

My final decision

I uphold this complaint and require Clydesdale Bank Plc trading as Virgin Money to pay Mrs M £700 total in compensation – they can deduct the £100 already paid from this figure.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 16 February 2022.

Jon Pearce
Ombudsman