

The complaint

Mr F is unhappy that Clydesdale Bank Plc, trading as Virgin Money, allowed funds to be removed from his account that he says he didn't authorise.

What happened

Mr F discovered a number of transactions, to the same merchant, that were being made on his account that he didn't recognise. He contacted Virgin to dispute these as he said they weren't authorised.

As a gesture of goodwill, Virgin refunded four of the disputed payments and raised a chargeback claim against the merchant for one of the payments. This payment was refunded by the merchant and so Virgin re-debited Mr F's account to reflect this.

Mr F remained unhappy as it was later discovered that the payments had been debiting his account for a considerable time. This meant that a total of £225 in payments had been made to the merchant, and Mr F wanted all of these refunded as he said he'd not authorised them.

Virgin looked into Mr F's claim but decided not to refund the remaining transactions. It pointed out that information had been received from the merchant which confirmed that the payments were authorised by Mr F as part of a legitimate payment from a well-known retailer. It directed Mr F to approach the merchant directly to dispute the payments and seek a refund.

Mr F remained unhappy with the outcome of his claim, so he brought his complaint to our service.

An Investigator considered the evidence provided by both parties but concluded that Virgin could have done more to help Mr F dispute the payments. He recommended that Virgin refund Mr F the remaining disputed transactions and pay £50 in compensation for the distress and inconvenience caused.

While Virgin didn't agree with aspects of the Investigator's assessment, it decided to accept the recommendations and pay Mr F the outstanding transactions and compensation. But Mr F wasn't happy with the Investigator's findings. He felt that £50 in compensation was too low and didn't reflect the true impact caused. Mr F thought that £5000 in compensation was a better reflection of the impact caused.

As Mr F disagreed with the Investigator's assessment, the matter has now been passed to me for a final 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.

Virgin has now agreed to refund the payments Mr F has disputed on his account as a gesture of goodwill. So, it's not necessary to comment on this further considering both

parties have agreed to this element of the complaint being resolved.

Mr F is however unhappy with the level of compensation the Investigator has suggested in their assessment. He's cited the following reasons for his claim that £5000 is more appropriate in the circumstances:

- Loss of revenue and serious damage to mental and physical health
- Cutting off his lifeline
- Persistent stress and hours put into preparing large quantities of letters
- Three visits to the bank via a taxi service that cost £60 in total

Mr F's claim regarding loss of revenue relates to the fact that he relied upon his pension as a lifeline. And the disputed payments were taken from that pension causing him a loss. But Virgin has now agreed to refund Mr F the payments lost and therefore he no longer has suffered a financial loss as a result of this.

I also find it unreasonable to expect Virgin to reimburse Mr F for his taxi journeys to and from the bank. Mr F has been unable to evidence the journeys that took place, so I don't find that it's fair for Virgin to reimburse consequential losses Mr F can't prove he suffered.

Furthermore, Mr F claims that the reason he was forced to attend the bank was due to a lack of support from the business regarding his disabilities. Mr F claims that he sent numerous correspondences to the bank asking for it to resolve the issue, but these were left unanswered. He also claims the bank insisted on dealing with the matter over the telephone despite him being deaf.

Having reviewed the evidence provided by both parties, I don't agree with Mr F's claims. In a vast majority of the correspondences Mr F has sent to this service, he repeats on a number of occasions that these issues were in fact with the merchant that had taken the disputed payments from his account. He reiterates that he sent numerous correspondences to the merchant via email and letter, all of which remain unanswered. While I understand Mr F's annoyance and frustration at this, it would be unreasonable to hold the bank liable for a third-party company's poor service.

Furthermore, from the evidence I've seen, Virgin has responded to contact from Mr F by letter, and this is acknowledged by the bank and Mr F in these letters. Virgin has said that Mr F's first letter regarding the issue was received on 19 October 2020 disputing the transactions. Unfortunately, as the relevant team dealing with the claim could only access a limited history on the account, they only identified four payments made to merchant and provided a full refund of these payments as a gesture of goodwill. Virgin also allowed Mr F to keep a £15 refund from the merchant where the disputed transactions were made despite already refunding him this payment. This was a further gesture of goodwill to apologise for a lack of detail in their explanation of action taken on the account.

Having said that, considering the disputed payments went back to the beginning of where the relevant team could access, I think they could have done more to check these payments didn't go back further. This likely would have caused less of an exchange of correspondence and not prolonged the process, which has clearly caused Mr F some distress.

I think the £50 recommended by the Investigator is reasonable in reflecting this administrative error and the impact it caused.

Mr F has asked for £5000 in compensation for the impact of Virgin's error. However, this is in our service's highest bracket of compensation and is for the most extreme impact we see. Even lower categories than this would expect to see significant detriment to health over

prolonged periods of time, generally over a year. While I appreciate that Mr F has clearly suffered some impact here, I don't think it reaches the threshold for these higher categories of compensation.

I must also consider the fact that Mr F had access to funds within his account during the dispute and wasn't left in a poor financial position. Mr F has been allowed to keep one of the payments that was refunded, and Virgin has agreed to pay the £50 recommended by the Investigator. I think this is fair and reasonable in the circumstances.

Putting things right

Virgin should now go ahead and settle the complaint as it's agreed.

My final decision

For the above reasons, Virgin should, if it's not already done so:

- Refund Mr F the remaining disputed transactions
- Pay Mr F £50 for the distress and inconvenience caused

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 11 March 2022.

Stephen Westlake
Ombudsman