

The complaint

O, a limited company, complains that Clydesdale Bank Plc trading as Virgin Money took too long to change its account resulting in additional charges and costs.

What happened

O had an existing fee-paying account with Clydesdale. It wanted to change this to a fee free account. O explains in its complaint form that it started the process in December 2021. And there were delays and issues with completing forms. When the account was opened in February 2022 there were errors with the address. O complained and it didn't receive a final response for a number of months.

Clydesdale accepted that its service had been poor, and this shouldn't have taken so long. It also accepted that there had been a delay before the complaint was addressed. So, it refunded charges O could have avoided of £100.60 and paid it £75 in compensation.

Our investigator recommended that Clydesdale pay O a further £100 and it agreed to do so. He said that this was an internal switch, and this took an unreasonably long period. But he didn't agree with O that further charges should be refunded. The account had been open, and O could have mitigated its loss and didn't need to wait for the outcome of this complaint.

O didn't agree, and a director says she was in 'two minds' as to whether to proceed with the new account given the problems and the time taken and as Clydesdale had closed the complaint. O said that the change had been due to take place on 18 November 2022 and it wanted the charges and interest refunded to that date. O considered that these would otherwise offset about half of the settlement. It also said that little value had been put on the time and stress involved here although it wasn't challenging the further £100 of compensation.

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.

It's not in dispute that there were service issues and delays for O. The issue is now about compensation for that and for the ongoing charges.

Clydesdale says it had refunded charges and interest to the point when O could have made the switch to the new account having reviewed the complaint. I appreciate O wants further charges refunded after that. But I don't think that's reasonable. O had the opportunity to mitigate those charges while still pursuing the complaint. And I don't think Clydesdale can be fairly responsible for refunding these.

This service publishes guidance about compensation. And I take into account here that the complainant is O, a separate legal entity, and a company can't suffer distress. I've considered everything O has said about the time its directors spent on this. And having done so I find that the resolution now proposed by our investigator is reasonable. I can appreciate

that the directors of O will still be disappointed.

My final decision

My decision is that I uphold this complaint and I require Clydesdale Bank Plc trading as Virgin Money to pay O a further £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask O to accept or reject my decision before 31 January 2023.

Michael Crewe
Ombudsman