

DRN-3967385



The complaint

Mrs S complains that Clydesdale Bank Plc trading as Virgin Money ('Virgin') unreasonably delayed opening a new account for her.

What happened

Mrs S has communicated with this service through a third party. In the interests of clarity, however, I had addressed this decision to her directly.

Mrs S held an account with Virgin. She contacted Virgin on 6 July 2022 to open a new account. The bank says that further identification was required in order to do this, which was confirmed to Mrs S on 12 July 2022.

Around 18 July 2022, Mrs S asked that money be transferred to her new account. Virgin says that this was not possible as the identification documents had not yet been received and so that account was not yet active. It says that it contacted her again around 20 July 2022 to confirm the identification documents which were required.

Mrs S attempted to attend a branch to fix this, but it was closed. Virgin agrees that this was inconvenient, and says that some branches were unexpectedly closed due to staff shortages. Around 25 July 2022, Mrs S again requested that the transfer be done. Again, the bank says that the identification documents had not yet been provided and so the transfer could not be carried out.

On 26 July 2022, Mrs S provided copies of her passport and driving licence. The bank says that she asked, on 1 August 2022, that the new account be opened in her previous name. Virgin says that it asked for a copy of her birth certificate so that it could carry out this request, as the other identification documents had been in her current name. It says that Mrs S initially sent a copy of her marriage certificate, but that the birth certificate was received around 8 August 2022 and the account was fully open from 9 August 2022. Mrs S says that Virgin staff had told her that her birth certificate wasn't needed, and that it cost her £35 to obtain a copy of this.

Virgin says that, on 13 August 2022, it received a call from a third party purporting to speak for Mrs S in relation to her account. In the circumstances, it says, it blocked her account for security concerns. It says that Mrs S attended a branch later in August 2022 and that it both removed the block and told her that third parties should not contact it regarding her accounts without her being present. Mrs S says that this branch visit was made far longer as the branch had to go through long calls with Virgin to get the issue sorted.

Virgin says that its identification checks were carried out reasonably and promptly. But it agreed that its store closure and long waiting times during calls caused Mrs S some inconvenience. It offered to pay her £75 to reflect this.

Our investigator thought that Virgin's offer was fair. They thought that there had been some delays due to the branch issues, but that the identification checks had been fair, and carried out reasonably.

Mrs S did not think that £75 was enough and so this has come to me for a 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.

I have considered whether the ID documentation being required by Virgin was reasonable. I am satisfied that it was. Banks have obligations under regulations to ensure that they have confidence that they are dealing with the correct person. Requesting identification documents as the bank did, upon a new account opening, is fair, reasonable, and in line with standard industry practice. So I think that Virgin did nothing wrong in requesting that information. When the documents were received, the account was fully opened. While this took around a month, I am satisfied that the bank did not cause this delay. It asked for the proper documents, and opened the account when it received them.

While I understand that Virgin initially said that a birth certificate was not necessary, I am satisfied that the nature of the required identification documents changed when the desired name on the account changed. Some identification was needed to show the correct name. I am satisfied that asking for a birth certificate was appropriate, and that the costs of obtaining a copy are not something that the bank should be expected to reimburse. While Mrs S did not already have a copy, that was something outside of the bank's control.

Putting things right

Virgin accepts there were shortcomings in relation to the branch closure and the long branch visit. I think that is fair. And, while I agree that this caused a degree of inconvenience to Mrs S, I am satisfied that the £75 already offered properly addresses this. I am not going to ask Virgin to do anything more.

My final decision

For the reasons given above, my final decision is that Clydesdale Bank Plc trading as Virgin Money should pay Mrs S £75.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 13 April 2023.

Marc Kelly
Ombudsman