

## **The complaint**

Mr P complains, in summary, about the unsatisfactory customer service provided by Clydesdale Bank Plc, trading as Virgin Money, (“Virgin Money”) with regard to his current account and savings accounts.

## **What happened**

Mr P is concerned about the customer service he received from Virgin Money when he was unable to gain access to his current account and savings accounts for around three months. Virgin Money’s branch had set him up to use its mobile app to access his accounts. This had worked well for many months but in early April 2022, Mr P found he could no longer access his accounts via Virgin Money’s mobile app. He spent many hours trying to contact Virgin Money on the phone and through Virgin Money’s messaging and chat services. He was promised calls back which he didn’t receive. Mr P experienced long wait times but when he managed to speak to Virgin Money, it wasn’t able to resolve the issue for him. He was unable to obtain an appointment with Virgin Money at a branch to resolve the issue and he had to borrow money from family and friends to pay bills as he couldn’t access his money.

Ultimately, in late June 2022, Virgin Money suggested to him that he go to his local branch which was around 24 miles from his home to rectify the situation. Mr P also made three round trips (lasting four to five hours) to obtain financial help from his family. He was also provided with incorrect information by Virgin Money when he made a payment from the local branch in late June 2022. Mr P also feels the issue has impacted his health.

In its final response letter, Virgin Money fully supported Mr P’s complaint and accepted that the service he received was below the standard expected and it apologised that it had let him down. It offered to make a compensation payment of £200 by way of apology plus £20 to cover Mr P’s petrol costs in visiting its branch. It paid this into Mr P’s current account in late July 2022.

The investigator agreed that Mr P had received poor service from Virgin Money, and she accepted this had caused him distress and inconvenience. But she said that Virgin Money had resolved the complaint fairly.

Mr P disagreed and responded to say that Virgin Money had upgraded its mobile banking app without telling him and this had caused the access problem. He had been trying to contact the bank via telephone and email for some three months without ever being able to get through to establish that his account still existed, and his funds were still in place.

After three months he was finally given the authority to attend his nearest branch to rectify the app issues by re-signing in, which then allowed him access to his account. Whilst at the branch, he transferred funds to another bank from his Virgin account. The following morning, he was contacted by Virgin Money’s fraud department and was told that the previous day’s transfer was withheld due to the lack of activity on his account for the preceding three months. This caused him more concerns. Following security checks, the transfer was completed.

Mr P also referred to the investigator's statement in her view that he could have visited Virgin Money's branch or used telephone banking earlier to access his account. He said that he'd asked Virgin Money if it was possible for him to attend a branch, but he was repeatedly informed that his account was an internet based account and visiting a branch personally wouldn't help and that he should wait until the complaint procedure was over.

Mr P also said that he was caused a great deal of stress and worry. He had deposited his life savings into Virgin Money's savings account and had never received confirmation the funds were safe and secure or even if the account still existed during the complaint period. This caused him to have to approach his children for funds.

The investigator responded to say that she acknowledged Mr P's comments that he couldn't get through on the phones to Virgin Money as the wait times were long, but she said that he did have the option to visit his local branch. She'd not seen any evidence of him being told not to visit a branch. The investigator also said that with reference to his branch payment being stopped, despite Virgin Money's staff telling him it would be sent straight away, it was stopped by Virgin Money due to concerns its fraud team had. After speaking to Mr P and completing its checks, the payment was successfully sent.

Mr P responded to say that he had tried to book an appointment to visit his local branch to resolve his issues and complaint. However, every time there were no appointments available. When he managed to contact Virgin Money, he was informed that as he had lodged a complaint on his account, and as it was an internet banking issue, it couldn't be resolved at a local branch. Mr P had also mentioned to Virgin Money the three return trips he had to make to ask his children for financial help, but Virgin Money had omitted to compensate him for these trips. He tried to contact Virgin Money regarding these expenses, but it said that it was unable to deal with this as he had already complained to this Service. Mr P said that the investigator failed to understand and acknowledge the financial and stressful consequences of 16 weeks without knowing if his account was safe, his being unable to access the account and the complete lack of help and support from Virgin Money. He had also had to spend time making phone calls and writing emails and was concerned about the delay in Virgin Money dealing with his complaint.

As this complaint hasn't been resolved informally, it has been passed to me, as an ombudsman, to review and resolve.

### **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 acknowledge Mr P's strength of feeling about what happened. It's clear how strongly Mr P feels about his complaint. I want to assure him that I've carried out an independent review and considered everything that both parties have submitted. We provide an informal complaints handling service as a free alternative to the courts. This is reflected in the way I've approached the complaint. It's part of my role to identify and concentrate on the core issues I need to address in order to reach a fair outcome – this means I might not mention everything Mr P has said, but I will comment on everything that makes a difference to the outcome of the complaint.

I note that Virgin Money acknowledged that it had caused the issues which resulted in Mr P being unable to log into his mobile app. It also apologised to Mr P for the overall poor service he received and it believed the payment of £220 compensation was a fair and reasonable resolution to his complaint.

As Virgin Money has accepted its responsibility for the issues causing Mr P's complaint, I won't be investigating this any further here. But as Mr P doesn't believe that Virgin Money's offer of compensation is fair, I need to consider the overall impact the whole experience has had on Mr P when assessing fair compensation. I can see that he was caused considerable distress, upset and worry as well as frustration and inconvenience over around four months.

I asked the investigator to ask both parties to provide more information about the circumstances of the complaint including copies of the communications between the parties and call recordings.

In particular I note the following:-

- It took Virgin Money almost three months to restore to Mr P the use of the mobile app and access to his accounts.
- Mr P spent a significant number of hours over many weeks trying to contact Virgin Money by phone, email, messaging, chat and social media to try to resolve the issue. He'd said he'd spent 70 hours making calls to Virgin Money which nobody answered. I have seen copies of multiple messages between Virgin Money and Mr P which evidence his frustration over the time taken to contact Virgin Money and his concerns over his inability to access his money. He was told by Virgin Money to phone certain numbers which he did but was unable to speak to anybody. As an example to show Mr P's frustration, one of his messages in late April 2022 to Virgin Money said:-

*"I have sat on the phone for hours trying to speak to a human in regard to my complaints. I've only ever got thru once. In 3 weeks. Please forward an address so that I can write. That way I shall have a form of proof to my complaints. As it's obvious no one answers the phones and people who access messages just inform them to try calling. It's such a total farce having accounts I'm unable [to] access."*

- On 21 April 2022, Mr P said that he'd run out of battery waiting for someone from Virgin Money to answer on five occasions. He was promised call backs which never occurred. Virgin Money asked him to contact facebook and twitter. He said he received no response to this. He tried to use chat but said he was given incorrect information by the chat process. Virgin Money has sent us a copy of a chat between the parties. It appears from this that the information provided wasn't helpful to Mr P.
- I have listened to a recording of a call between the parties on 7 April 2022. It is clear from that call that Mr P viewed the issue as an emergency. He also made it clear to Virgin Money that he didn't have the mobile phone skills to take the steps Virgin Money suggested to resolve the matter. I don't think Virgin Money took sufficient regard of this and it should have made adjustments to the service it provided in order to assist Mr P better and provide a swift solution for him to access his money. In that call Virgin Money said it would call back the next day, but this doesn't appear to have happened. I can see that Mr P was caused frustration by Virgin Money's agent's failure to grasp his low technology skills here.
- I have listened to another call on 21 June 2022. Virgin Money's agent tried to assist Mr P in changing his password, but it became clear that Mr P needed a second device to do this. Virgin Money said it would phone Mr P the following day when he had internet access and a second device. Mr P had then made a special trip from home to get internet access to use his second device, but he didn't receive the promised call back. I can see that this would have caused him further frustration.
- Mr P said he couldn't access internet banking as he hadn't been provided with the identification code required to access the website.
- Mr P said he'd never been told by Virgin Money that he could obtain money from his

account in a post office.

- Mr P was concerned whether his money was safe as well as being unable to access his account to check his balance and to transfer funds between his accounts. He didn't receive account statements after the app problems began as they could only be viewed on the app. I would have reasonably expected Virgin Money to have taken steps soon after Mr P raised the issue with it to provide postal statements to reassure him about his funds.
- Mr P ultimately had to spend around four hours going to B's nearest branch to his home to resolve the matter. I note that the branch was around 24 miles from his home.
- To add to Mr P's frustration, he was told incorrectly by Virgin Money that an important payment would be processed on the day when he was in Virgin Money's branch, but it was delayed to the following day. I have listened to the recording of a call in late June 2022 following his visit to the branch. Mr P said that he'd received an unintelligible voice message from Virgin Money's fraud team and was concerned that there had been a fraud on his account. He was further concerned to be told on that call that the payment hadn't been made.
- Mr P had asked Virgin Money's agent on 7 April 2022 to register the issue as a formal complaint. It took almost four months for Virgin Money to provide a final response letter to Mr P's complaint. This caused him more frustration as he'd been told it should take no more than eight weeks.

Mr P said that the issues had caused him health problems and that he suffered a heart attack during this time. I asked for more information about this. Mr P provided a medical report. I can see this said whilst Mr P had intermittent chest pains, the symptoms were not cardiac in nature. I can't safely say that the problems with Virgin Money caused the chest pains, but I don't think they can have helped them.

Mr P said he had to borrow cash from family to pay his bills and that he had to make three long trips to do this. But I note that Mr P had a current account with another bank, and I think his family could have paid money into this account which Mr P could have withdrawn as cash using a debit card in an ATM. So, taking this into account, I don't think it would be reasonable to ask Virgin Money to pay for Mr P's costs for these three trips.

Taking everything into account, I don't think that the £200 paid to Mr P was fair compensation for all this, although I think £20 was fair compensation for the cost of petrol to Virgin Money's branch. But the issue didn't get resolved for nearly three months. Mr P was vulnerable, and he was put to significant effort and stress trying to resolve it. I can understand that Mr P was worried about his money, that he couldn't get access to it to pay his bills and he was caused a substantial amount of inconvenience and emotional distress over a long period of time. So, I thought that it would be reasonable for Virgin Money to pay Mr P an additional £500 compensation (in addition to the £220 already paid) for all the frustration, inconvenience and distress caused to Mr P.

I asked the investigator to ask Virgin Money and Mr P for their comments on my thoughts. Both Virgin Money and Mr P accepted my proposal for Virgin Money to pay Mr P an additional £500 compensation.

As both parties have agreed my thoughts on what would be an appropriate outcome here, it follows that I uphold this complaint in part and require Virgin Money to take the following steps.

### **Putting things right – what Virgin Money needs to do**

Virgin Money should put things right for Mr P by paying him an additional £500 compensation.

**My final decision**

My decision is that I uphold this complaint in part. In full and final settlement of this complaint, I order Clydesdale Bank Plc, trading as Virgin Money, to put things right as I've set out above under the heading "Putting things right – what Virgin Money needs to do".

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 23 March 2023.

Roslyn Rawson

**Ombudsman**