

The complaint

Mr W complains he was unable to use his debit card on his Clydesdale Bank Plc trading as Virgin Money account.

What happened

Mr W had a transaction blocked in April 2022. Mr W was on holiday at the time and says he cut his holiday short and returned home because he couldn't use his debit card. He was also upset that he tried to purchase a birthday present for a family member, but his transaction was again blocked – and then the item was sold out.

Mr W was also unhappy about how Virgin Money handled the calls he had with them about what had happened and that they wouldn't allow him to withdraw the full balance he held with them in cash, so he could close his accounts.

Mr W complained to Virgin Money. They said they were sorry for the poor service Mr W had received. That he wasn't contacted about the blocked transaction, and he had trouble getting through to them over the weekend. Virgin Money offered Mr W £250 in recognition of the distress and inconvenience caused.

An Investigator considered Mr W's complaint. She said, in summary, she agreed Virgin Money should have contacted Mr W about the blocked transaction and this had caused him inconvenience. But she noted Mr W could've called Virgin Money sooner than he did and she didn't think they were responsible for his decision to cut his holiday short. She thought Virgin Money had acted fairly to resolve things.

Mr W didn't agree with the Investigator's findings. He said he was unhappy he hadn't been offered compensation for having to cut his holiday short or being unable to purchase the birthday present he wanted to. He also said he'd had further problems with transactions being blocked since this complaint was made.

As Mr W didn't agree, the complaint was passed to me to decide.

I issued a provisional decision. I've set out my findings again here and they form part of this decision.

Provisional findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

All banks have fraud prevention measures in place. These are designed to protect customers and the bank. It's for financial businesses to decide how their fraud prevention measures operate and which transactions will be subject to further checks.

Virgin Money's fraud prevention system flagged Mr W's online payment on 30 April 2022. Under the terms and conditions of Mr W's account, it sets out the circumstances in which

transactions can be blocked by the bank – and I'm satisfied the transaction attempted by Mr W fell into one of those listed circumstances. So, I'm satisfied Virgin Money didn't make a mistake in blocking this transaction.

Virgin Money said in their final response that they didn't contact Mr W about this. They also apologised for the waiting times Mr W had experienced over the weekend when he was trying to call them. Mr W said because he wasn't able to get through to Virgin Money he was forced to cut his holiday short and couldn't buy a birthday present for his family member. However, I can see that Mr W has other accounts with debit cards also held with Virgin Money and he had online banking access – so I don't think Mr W was completely without access to the money in the affected account. So I think the £250 Virgin Money offered in recognition of the inconvenience caused is fair.

Mr W was able to speak to Virgin Money on 2 May 2022. During this call his card was unblocked. But he said he had further problems using it the following weekend. Virgin Money said these were declined because the card had reached its contactless limit and required PIN entry. We asked Virgin Money to provide evidence showing the reason for the declined transactions over that weekend. But to date – and despite repeated requests over an extended period of time - this evidence has not been provided. Mr W told Virgin Money in a phone call; he had attempted to enter the PIN at this time but the card still wouldn't work but Virgin Money said they had no record of the PIN attempts. As Virgin Money haven't provided any evidence of these transactions, I don't know why they were declined and I can't be sure Virgin Money hasn't made a mistake.

On 10 May 2022, Mr W used his online banking to report this card as damaged and a new one was issued. Further declined transactions took place in July 2022, Virgin Money's provided evidence to show these were declined because the card wasn't activated. We asked Virgin Money to explain this in more detail because this card had been issued in May 2022 but I can't see that Mr W reported any issues using it prior to July 2022 – so it seems it had been used successfully before being declined in July. But again, despite repeated requests Virgin Money hasn't provided any further information about these transactions. So as Virgin Money hasn't provided clarification, I don't know why these transactions were declined and I again can't be satisfied Virgin Money hasn't made a mistake.

So I think Virgin Money should pay Mr W a further £150 in recognition of the distress and inconvenience caused by these failed transactions in May and July 2022.

Following these problems Mr W told Virgin Money he wished to close all his accounts and withdraw the total balance in cash. Virgin Money said, because of the amount of money in the accounts – several hundreds of thousands - they wouldn't be able to do this in one transaction. They suggested Mr W transfer the money online or visit a branch where he could take out up to £25,000 at a time in cash. I don't think it's unreasonable for the bank to refuse to make Mr W's full balance available in cash given the significant amount of money involved and their safety concerns about doing so.

Responses to my provisional decision

Mr W responded to say he agreed but since he had brought the complaint he'd had further problems with Virgin Money, which he'd made a further complaint about. And he was unhappy Virgin Money had contacted him, after our involvement, to ask him to accept their original offer. He felt this amounted to harassment.

Virgin Money accepted my provisional findings.

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.

Mr W says he's had further problems with Virgin Money which he's complained about. I can see he's provided an acknowledgement from Virgin Money of a further complaint. The rules only allow me to address the issues above. If Mr W is unhappy about later matters which he's not complained to Virgin Money about, then he can do so and ask us to look into things. If there are other issues Mr W has complained about which don't form part of this complaint, then potentially that could be a new issue we consider separately.

Mr W has also provided correspondence he received from Virgin Money about the offer they originally made in their final response letter. He says he felt harassed by Virgin Money to accept it, despite referring his complaint to our service. But I don't think it's unreasonable for Virgin Money to contact Mr W to remind him the offer is open to his acceptance. Based on the content of the letter, it looks like Virgin Money wrote to Mr W twice in several months about the offer after the final response – so I don't agree that this or the letter itself amounts to them contacting him unreasonably.

As I don't think the information provided by Mr W changes things and Virgin Money accepted my provisional findings, I still find Virgin Money should pay Mr W a further £150 to recognise the further issues he had using his debit card in May and July 2022.

My final decision

Clydesdale Bank Plc trading as Virgin Money have already made an offer of £250 to resolve this complaint. For the reasons I've explained, I require them to pay Mr W a further £150 for the other problems experienced in using his debit card.

My decision is Clydesdale Bank Plc trading as Virgin Money should pay Mr W a total of £400.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 7 June 2023.

Eleanor Rippengale
Ombudsman