

The complaint

Mr B complains that he encountered an error when he tried to transfer some funds with Clydesdale Bank Plc trading as Virgin Money ('Virgin'). And he says Virgin gave him repeated poor service when he sought information about whether the transfer had taken place. He wants an apology and to be compensated for distress and inconvenience.

What happened

Mr B was a customer of Virgin. In October 2022 he tried online to transfer some money from his ISA to a different ISA with a better rate. While doing this he encountered an error with the online form.

Mr B called Virgin to find out what had happened. He waited on hold for an hour. When an adviser answered he asked the adviser to wait for a few minutes while he logged into his account to get the details he needed for the call. But the adviser ended the call. Mr B called Virgin again and asked for a call back from a manager. No manager called him back. While he was on the phone to Virgin, Virgin asked him to confirm his middle name despite Mr B having asked Virgin to remove his middle name from his account.

In October 2022 Mr B complained to Virgin about the ISA transfer and poor service he'd had since calling to find out what had happened, including Virgin continuing to ask him to confirm his middle name.

On 21 October 2022 Virgin sent Mr B a letter acknowledging receipt of his complaint. The letter said Mr B could contact this service if he was unhappy with Virgin's final response to his complaint and it provided a link to more information about this service. It said a copy of Virgin's complaints policy was enclosed.

On 1 and 21 November and 19 December 2022 Virgin wrote to Mr B saying it hadn't been able to respond to his complaint yet. The 21 November 2022 letter said Mr B could refer his complaint to this service if he didn't want to allow Virgin more time.

On 6 January 2023 Virgin responded to Mr B's complaint. It apologised for poor service. And it said Mr B's ISA transfer had been accepted on 17 October 2022 and his funds had been transferred on 18 October 2022. It said although Mr B wanted to know how it was that the transfer had gone through, Virgin couldn't get that information from its systems. Virgin also said it had now removed Mr B's middle name from his account. And it offered Mr B £100 in compensation which it said it would pay within five business days.

On around 26 January 2023 Mr B contacted Virgin because he hadn't received the £100. During the call Virgin asked for Mr B's middle name.

In early February 2023 Virgin called Mr B. He said his middle name hadn't been removed and he hadn't received the £100 compensation.

On 10 February 2023 Virgin responded again to Mr B's complaint. It said it had given Mr B wrong information about when the £100 would be paid. And it had failed to remove his

middle name from all of its systems. Virgin said it would pay Mr B an additional £100. It said compensation would be paid within 21 days.

Mr B referred his complaint to this service.

One of our Investigators looked into Mr B's complaint. She said she understood Mr B would've been frustrated by Virgin's shortcomings in its dealings with him. But she thought £200 went far enough to put things right for Mr B. The Investigator noted that Virgin said it had successfully paid the £200 into Mr B's bank account.

Virgin said it agreed with the Investigator's view.

Mr B didn't agree. He said Virgin had given him poor service on multiple occasions. And this had caused him a great deal of stress and anxiety. Specifically, he said Virgin had failed to tell him what had happened to his money after the attempted ISA transfer, failed to make clear his right of referral to this service, mis-handled telephone calls with him, gave wrong information in its final response letter and took too long to resolve his complaint. Mr B said the Investigator hadn't captured the strength of the stress and anxiety he'd suffered. And he said by not upholding his complaint this service would allow Virgin to treat customers poorly in future.

The Investigator noted to Mr B that this service cannot consider points of complaint that are about complaint handling as distinct from being about the provision of a regulated financial service. And she said the role of this service is to investigate complaints on an individual basis and – when something has gone wrong – our role is not to punish the business but to put things right for the individual consumer.

The Investigator also asked Mr B when he became aware that his ISA transfer had been completed, and whether he could see in his online account that it had been done. Mr B didn't answer these questions.

Mr B said that, based on the actions of Virgin in this case and the impact of those actions on him, Virgin should pay him £300 rather than £200.

Because no agreement could be reached, the complaint was passed to me to review afresh and make 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.

Having done so, I'm not upholding the complaint. I'll explain why.

It's not in dispute that Virgin gave Mr B poor service on multiple occasions. Virgin acknowledged it had caused confusion at the time of the ISA transfer in relation to whether the transfer had been successful. It also acknowledged that Mr B had waited too long on the phone, had his call unfairly terminated, and not had a call back from a manager. And Virgin acknowledged that it took longer than it should've to answer Mr B's complaint, didn't properly remove Mr B's middle name from its accounts and gave him wrong information about its timescale for paying compensation.

What is in dispute is whether the £200 which Virgin has paid Mr B is enough to put things right for Mr B in the face of the service failures by Virgin. Mr B says the impact on him warrants a higher payment.

In offering £200 to Mr B Virgin took into account all of the failings that I've identified. And, having carefully considered all of these failings and their overall impact on Mr B, I'm satisfied that £200 in compensation is fair and reasonable in the circumstances. I'll explain why.

At the time of the ISA transfer, Mr B was clearly uncertain about what had happened. Understandably he wanted confirmation that his transfer request had been accepted. That's why he attempted to speak to Virgin about it by phone. Virgin fell short here by making Mr B wait, terminating his call and failing to give him a call back from a manager. And so Mr B suffered short term distress about his ISA transfer as well as frustration and inconvenience in relation to the poorly-handled telephone calls. In relation to the transfer itself, it's likely Mr B knew soon after the date of the transfer that it had been done. Virgin said the money was where it should be and that Mr B in his complaint was asking about how the process had come about. Mr B hasn't disputed that.

Virgin also fell short by repeatedly asking Mr B to confirm his middle name after he'd asked for it to be removed from his account. I understand Virgin attempted to remove the name but failed to remove it from all of its systems. That didn't lessen the impact on Mr B, though, when he continued to be asked for his middle name despite Virgin having taken some action. It's understandable that on these occasions Mr B suffered frustration and inconvenience.

Mr B has also said he's unhappy about how Virgin dealt with his complaints. Complaint handling isn't a regulated activity or other covered activity. So, as a general rule, and in line with the law, if the complaint is solely about complaint handling, we wouldn't be able to look into things. Where complaint handling forms part of a customer's complaint, then we can take into account complaint handling when looking at the overall customer experience. Here I'm satisfied that the issues Mr B has raised are an extension of the issues which relate to regulated activities – in this instance Virgin giving poor service in response to Mr B seeking information about his ISA transfer and not acting on his request to remove his middle name from his account.

In this case I don't think Virgin caused Mr B any additional stress by not telling him of his right to refer his complaint to this service after eight weeks. Virgin's letter of 21 November 2022 said it hoped Mr B would allow it more time but he could make the referral if he was unhappy about how long Virgin was taking. And Mr B could also have known that via Virgin's complaints policy or the web link to this service which Virgin gave him when it acknowledged his complaint. As it was, Mr B received final responses from Virgin in January and February 2023 and referred his complaint to this service in April 2023. So, on balance, I don't think Virgin failed to properly inform Mr B about referral rights.

But Virgin while resolving the issues that Mr B raised, Virgin did exacerbate his frustration by continuing to ask about his middle name and giving wrong information about the timescale for compensation.

Overall, as I've said, I don't think uncertainty over the ISA transfer itself caused sustained impact. But the uncertainty that Mr B did experience set off a series of events which caused him greater frustration and annoyance than he could reasonably expect from day-to-day life. He had the inconvenience of making contact with Virgin more times than he should've had to. And during that contact he was frustrated by poor call handling and Virgin's errors in relation to his middle name and the information it gave him about compensation timescales.

Having taken everything into account I think the £200 which Virgin has already paid Mr B is fair and reasonable in the circumstances. So I'm not asking Virgin to do anything more.

My final decision

For the reasons I've set out above, my final decision is that I'm not directing Virgin to do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 16 February 2024.

Lucinda Puls
Ombudsman