

The complaint

Mr S complains that Clydesdale Bank Plc trading as Virgin Money (Virgin) caused delays in opening a new account for him.

What happened

Mr S applied for a new account with Virgin, he'd decided to do this because of the incentives that Virgin was offering at the time. Mr S provided Virgin with the documents it needed to confirm his identity by 14 February 2022, but the account was not opened within the timescale expected. Virgin opened the account on 11 April 2022.

Mr S was unhappy with how things had been handled. He wanted to receive the incentive that he'd have been entitled to if his account had been opened on time and was very unhappy with how his complaint had been handled by Virgin.

Virgin looked into Mr S' concerns and paid him £100 for the poor service he'd received. It also said it would give him a £100 voucher for a Virgin experience day and would pay 3% interest on the balance of his account up to £1,000 for the first year as this was one of the account opening incentives it was offering at the time Mr S' account should have been opened. Mr S was unhappy with Virgin's response, he didn't feel it went far enough to recognise the impact of what had happened on him, and he noted that the incentive he'd been expecting when he opened his account was 15,000 Virgin Red points, which he had still not received.

One of our Investigators looked into what had happened. And, following correspondence between the Investigator and Virgin, Virgin agreed to honour the incentive that Mr S had been intending to apply for – the 15,000 Virgin points. Unfortunately, this point system was no longer available, so instead Virgin offered to pay Mr S £150 which was the cash value of the points. Virgin did though explain that this would be instead of the £100 voucher and 3% interest that it had previously offered Mr S.

Mr S was unhappy with this offer, he felt that Virgin was now taking away benefits of the account that he had opened.

As no agreement could be reached this complaint has been passed to me for review.

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've reached the same conclusions as our Investigator and for the same reasons.

All parties seem to be in agreement here that there was an avoidable delay in opening Mr S' new account, and that the service he received from Virgin was below the standard he should

have expected. So the main issue I must decide on is whether what Virgin has offered to do to put things right is a fair and reasonable resolution to this complaint.

When Mr S first applied to open this account he says he chose to do so because of an incentive he'd seen advertised. That incentive offered 15,000 Virgin points for customer switching to the M Plus account. Around the same time Virgin had a separate incentive running which offered £100 gift voucher for Virgin experience Days and a bonus interest rate of 3% for 12 months on balance up to £1,000.

When Virgin looked into Mr S concerns, in an effort to put things right, it assumed he had been hoping to receive the gift voucher and bonus interest, so that is what it offered to give him. But Mr S has clearly explained that he had been hoping to receive the first incentive – the 15,000 Virgin points. Virgin is unable to offer those points at this time but it has instead offered the cash value of the points, £150. And I consider that to be a reasonable resolution to this part of Mr S complaint, as it puts him back in the position (as far as possible) as he would have been in if he had been able to open the account when he wanted to. I don't think it would be fair for Mr S to receive the benefits of both incentives. So he can either have the £150 value of the points, or he can have the £100 voucher and 3% bonus interest rate, he cannot have both. I would though note that the additional interest Mr S would have earned, plus the value of the voucher, is likely to still be of a smaller cash value than the £150 Virgin is now offering.

Turning to the compensation Virgin has offered, I do not dispute that this issue caused Mr S some inconvenience, there was undoubtedly a delay in his account being opened. But I'm satisfied that with everything I've seen £100 is appropriate compensation for the impact of what has happened here. I appreciate that Mr S does not agree, but compensation is very subjective, what one person feels is enough will often feel too low for someone else. I am though satisfied that the offer Virgin has made is in line with what I would have awarded, so I won't be asking it to do anything more.

Putting things right

To resolve this complaint Virgin should pay Mr S £150 to compensate him for losing out on the 15,000 Virgin points. Virgin should also pay him the £100 additional compensation it has offered, if it hasn't done so already.

My final decision

I uphold this complaint. Clydesdale Bank Plc trading as Virgin Money should put things right in the way I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 6 July 2023.

Sophie Mitchell
Ombudsman