

The complaint

Mrs and Mr G complain that Clydesdale Bank Plc trading as Virgin Money provided them with poor customer service.

What happened

Mrs and Mr G hold a joint current account with Virgin Money (which was previously operated by another bank), which operates on an either signature basis and it doesn't require both account holders to take action on the account. Mrs G attempted to make a debit card payment, but the payment was rejected as she was unable to complete Virgin Money's two stage verification process. Mr G was then able to make the payment using his card. Mr G rang Virgin Money to update their phone details.

Mrs and Mr G say the call handler insisted on speaking to Mrs G even though the account was joint, and she was distressed on the call. They say the call handler refused to transfer them to a manager after they asked for this. Mrs and Mr G say they received a letter jointly in 2019 which requested a mobile number from them to assist with two stage verification and they provided a mobile number for both of them, yet Virgin Money had a landline number attached to Mrs G's profile. Mrs and Mr G made a complaint to Virgin Money.

Virgin Money partially upheld Mrs and Mr G's complaint. It said the correct security process was being followed for updating personal details, but it accept the service received during the call could have been better, so it credited £40 to their account. Mr and Mrs G brought their complaint to our service.

Our investigator thought the £40 compensation was fair. He said the call handler they spoke to could have clearly explained what she needed and why. He said it was appropriate to speak to Mrs G if they received a request to update her contact details, and as it was up to Virgin Money to decide its own security process, he couldn't say it was unfair by asking Mrs G security questions, even if they were difficult for her to answer.

Mrs and Mr G asked for an ombudsman to review their complaint. They made a number of points. In summary, they provided us a letter from the bank who owned the account prior to Virgin Money taking over control of the account. This letter requested they provided a mobile phone number due to their introduction of two stage verification, and it didn't say they needed a mobile number for each person, and this was Mrs G's mobile number in 2019 when they received this letter. They said while Mrs G was subjected to Virgin Money's inquisition, Mr G was not asked the same questions when he provided it with his new mobile number.

As my findings differed in some respects from our investigator's, I issued a provisional decision to give both parties the opportunity to consider things further. This is set out below:

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

Mrs and Mr G have made a number of points to this service and I've considered and read

everything they've said and sent us. But, in line with this service's role as a quick and informal body, I'll be focusing on the crux of their complaint in deciding what's fair and reasonable here.

I've considered what Mrs and Mr G have said about the letter they received in 2019 regarding the two stage verification. The letter is addressed to both of them and says "Tell us your mobile number and we'll hold this on your customer record." So this sets out that the mobile would be held on a customer record and not an account record. It's probable that the bank would need to speak to both Mr and Mrs G to record the mobile number – even if this is the same mobile number. I say this based on the wording "customer record". So I would not expect a financial institution to allow one customer to be able to make changes to another customers personal details, even if they hold a joint account together, without the other customers authority.

So I asked Virgin Money if they had a copy of the call, so I could hear how the conversation went in July 2019. But there is no copy of the call. So I'm unable to determine if both Mrs and Mr G were on the call to update the telephone number (as they would need to update their own customer record). But it would appear that the customer record for only Mr G was updated with the mobile number and not Mrs G and so I'm unable to say what happened on this call one way or another.

Therefore, the number which Virgin Money received from the previous bank for Mrs G appears to be an old landline number – which they don't have anymore. Virgin Money have confirmed that Mr G's contact number was updated to the mobile number after the call in July 2019, but the landline number associated with Mrs G's customer record was not removed until it was replaced with the mobile number on 21 December 2022. So as there was a landline number on Mrs G's customer record at the time she tried to make a purchase using her debit card, this is why she was unable to complete the two stage verification. So the only way that this would change moving forward, is if Virgin Money were notified of her mobile number.

So I've listened to the call Mrs and Mr G had with Virgin Money where they updated their contact details. Mr G is speaking to the call handler and the call handler confirms that the mobile number had only been added for Mr G and not Mrs G. The call handler says she needs to go through security with Mrs G before she could make any changes to her account. Mr G tells her it is a joint account and asks to speak to a supervisor and the call handler tells her "no". Mr G is audibly taken aback by this and asks to make a complaint. The rapport of the call descends as both parties talk over each other, and the conversation is fraught.

Mrs G then speaks to the call handler. The call handler goes through security to remove the landline number from her customer record. She asks Mrs G details about her credit card and a question about a direct debit, which Mr G answers and Mrs G tells the call handler. The call handler then asks a question about another payment and again Mr G says the answer and Mrs G tells the call handler the answer.

The call handler then asks Mrs G if she would like to add a mobile number to the account or to just remove the landline number. The conversation breaks down again around the 13 minute mark of the call and the call handler says "no, I'm I'm just asking a question, if you could please answer the question" in response to the comments Mr G made. The call handler confirms there is no mobile number for Mrs G, and the conversation becomes fraught again, with the call handler saying if they are going to continue shouting she would need to terminate the call.

Mrs G tells the call handler the mobile number that she wants adding and the call handler says that's been added to her "account". Mr G then asks for his mobile number to be

updated. The call handler tells Mr G the ending of the mobile number he has and asks for the mobile number he wants to add, which Mr G tells her, and the call handler updates Mr G's contact details, but without completing security with him. The call ends on a positive note after the complaint is raised.

I'm satisfied that the call could have been handled better on both sides. Mr G made a number of remarks which could be insulting to the call handler which were very audible during the call due to his frustration at how the call was handled, in response, the call handler became defensive and at one point threatened to terminate the call. This potentially could have been avoided if the call handler had clearly explained at the outset that each joint account holder had a customer record attached to them and in order to update a customer record with a phone number, she needed to speak to the actual customer. But the call handler kept referring to the customer "account" and not the customer "record", and as a result of not fully explaining this, the call got off to a bad start which rarely recovered.

I'd like to explain to Mrs and Mr G that it is not within this service's remit to tell a business how to run their security processes or procedures such as who they should speak to when completing security or what questions they ask. It would be the role of the regulator – the Financial Conduct Authority (FCA), who have the power to instruct Virgin Money to make changes to their policies and procedures, if necessary.

But it's clear the call handler didn't follow the security processes throughout the call. I say this as it was audible that Mr G was giving Mrs G the answers to the questions about the direct debit. So either the call handler should have told Mrs G that she couldn't accept answers given on her behalf, or if she was able to accept answers given on Mrs G's behalf, then she could have just asked Mr G the questions originally. So I'm persuaded that this undermined the security process here.

In addition to this, when Mr G updated his mobile number, he was not asked any security questions. Again, this undermined Virgin Money's security process. And it could appear to Mrs and Mr G that Mrs G had been asked the security questions for nothing when the call handler didn't ask Mr G any security questions.

I've considered what would be a fair outcome for this complaint. Virgin Money credited £40 to Mrs and Mr G's account. But I'm persuaded this does not reflect the impact on them with how the call was handled. Early in the call, the call handler told Mr G he couldn't speak to a manager, despite it being a reasonable request, but it wasn't really explained why he couldn't speak to a manager. The way the security process was handled was distressing for both Mr and Mrs G as it wasn't accurately explained why Mr G couldn't update Mrs G's details and these factors led to the rapport very quickly breaking down on both sides.

I'm satisfied that an extra £60 to total £100 is in line with our guidance for compensation for what happened here and this is reasonable. It is Virgin Money's process to ask the customer whose details are to be changed the security questions, so I can't say that the call handler shouldn't have asked Mrs G security questions when updating the mobile number, even if this made her uncomfortable answering these questions. But they didn't follow the security process for Mr G. So I intend to ask Virgin Money to put things right for Mrs and Mr G."

I invited both parties to let me have any further submissions before I reached a final decision. Virgin Money did not respond to my provisional decision. Mrs and Mr G made a number of points in response to the provisional decision. In summary, they said they presumed that the customers' record would be part of the customers' account and they said my provisional decision at various points mentions a phone number being added to the account and not the customer record. They said the mobile number supplied was Mrs G's mobile number and should have been used for her two stage verification. They said if Virgin

Money decides that the number supplied only applies to the male side of marriage then this would be gender discrimination.

Mrs and Mr G said there was no way Mrs G could have ever answered the security questions because she was incapable of doing this and this appeared to be age discrimination.

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.

Firstly, I'm aware that I've only summarised Mrs and Mr G's response to the provisional decision. And I'm not going to respond to every single point made by them. No discourtesy is intended by this. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

Mrs and Mr G have raised gender and age discrimination points with how Virgin Money have treated Mrs G. I've taken the Equality Act 2010 into account when deciding this complaint – given that it's relevant law – but I've ultimately decided this complaint based on what's fair and reasonable. If Mrs and Mr G want a decision that Virgin Money has breached the Equality Act 2010, then they'd need to go to Court. However, based on what Mrs and Mr G have said in relation to Virgin Money discriminating against Mrs G, I am not persuaded that Virgin Money treated Mrs G any differently to other customers in similar situations, and I will explain why.

While Mrs and Mr G presumed the customer record would be part of the customer account, as I said in my provisional decision the letter they were sent in 2019 *"sets out that the mobile would be held on a customer record and not an account record. It's probable that the bank would need to speak to both Mr and Mrs G to record the mobile number – even if this is the same mobile number. I say this based on the wording "customer record". So I would not expect a financial institution to allow one customer to be able to make changes to another customers personal details, even if they hold a joint account together, without the other customers authority.*

I don't have any evidence from either side that Mrs G spoke to the bank in 2019 to update her customer record with her mobile number. While I have seen the information Mrs and Mr G have sent me that the mobile number is now in Mrs G's name, this is not evidence that she spoke to the bank in 2019 and updated her customer record with this mobile number.

As Mr G's customer record was updated with the mobile number and not Mrs G's customer record, then on the balance of probabilities, it's probable that only he spoke to the bank at the time and he gave them the mobile number, but he would not be able to update Mrs G's customer record even though they had a joint account (and not a joint customer record). So this would be why Mrs G's customer record did not get updated with her mobile number. I'm not persuaded that it was to do with her gender and if the roles were reversed and Mrs G only spoke to them to update the mobile number, then she would be unable to update Mr G's customer record.

I've considered what Mrs and Mr G have said about the provisional decision at various points mentions a phone number being added to the account and not the customer record. I've had a read of my provisional findings and I can confirm that I've only mentioned this in reference to what the call handler told Mrs and Mr G on the call. As I said in my provisional

decision *“This potentially could have been avoided if the call handler had clearly explained at the outset that each joint account holder had a customer record attached to them and in order to update a customer record with a phone number, she needed to speak to the actual customer. But the call handler kept referring to the customer “account” and not the customer “record”.*

I don't doubt the security process was upsetting for Mrs G. I could hear the discomfort and distress in her voice. But I'm not persuaded that means that Virgin Money shouldn't try and establish her identity. After all it has regulatory and legal obligations it needs to follow to protect their customer's accounts. Virgin Money need to ensure it's speaking to its genuine customer before it can make changes to its customer record. I'm satisfied that it would need to ask security questions regardless of a customer's age. So I don't think she was treated differently to a customer who may be a different age to her.

As I mentioned in my provisional decision *“it is not within this service's remit to tell a business how to run their security processes or procedures such as who they should speak to when completing security or what questions they ask. It would be the role of the regulator – the Financial Conduct Authority (FCA), who have the power to instruct Virgin Money to make changes to their policies and procedures, if necessary.”* So our service does not have the power to make a business change their security process.

In summary, Mrs and Mr G's response hasn't changed my view and my final decision and reasoning remains the same as in my provisional decision. I know Mrs and Mr G will be disappointed, but I hope they understand my reasons.

Putting things right

In my provisional decision I said I intend to uphold this complaint in part. I said I intend to ask Clydesdale Bank Plc trading as Virgin Money to pay Mrs and Mr G a further £60 to total £100 compensation. I'm still satisfied this is a fair outcome for the reasons given previously.

My final decision

I uphold this complaint in part. Clydesdale Bank Plc trading as Virgin Money should pay Mrs and Mr G a further £60 to total £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G and Mr G to accept or reject my decision before 8 September 2023.

Gregory Sloanes
Ombudsman