

The complaint

Ms T complains that Clydesdale Bank Plc (trading as Virgin Money) has failed to offer reasonable adjustments to assist her with exchanging cash which is no longer in circulation for new notes.

What happened

Due to her medical conditions, Ms T is unable to leave the house and relies on a carer to assist her with some day-to-day tasks. Ms T keeps cash stored where she can easily access it to give to her carer for any payments they need to make.

Ms T's cash is in paper notes, which are no longer in circulation and have been replaced by the new polymer notes. Ms T wants to exchange her paper notes for the new style polymer notes, she has around £6,000 that she would like to exchange.

Ms T had already asked her current account provider, S, if they would exchange the notes for her, but they had been unwilling to do so. As a result Ms T asked Clydesdale if they would be able to do the exchange for her instead.

Ms T explained her particular needs to Clydesdale, specifically that due to her circumstances she would be unable to visit a branch herself and would need her carer to act on her behalf. In August 2022 Clydesdale emailed Ms T and said that it would be willing to allow her carer to visit the branch, pay in the old notes, and then immediately withdraw the cash as new notes, as long as the carer had their own ID, Ms T's ID, and a letter of instruction from Ms T.

There were initial discussions about when the carer might come to the branch. But when Ms T tried to organise this appointment in September 2022, Clydesdale explained that it actually was not willing to do the exchange it had originally agreed to. Clydesdale made various suggestions as to what Ms T could do instead, but none of these suggestions seemed to provide the outcome Ms T was looking for, so she referred her complaint to our service.

One of our Investigators looked at what had happened, they felt Clydesdale could be doing more to try and help Ms T, so they asked Clydesdale for further suggestions of how this issue could be resolved. When Clydesdale was unable to suggest a way forward, our Investigator issued their formal findings on this complaint.

The Investigator said that Clydesdale had not made any reasonable suggestions for how to resolve this issue, bearing in mind Ms T's particular circumstances. They recommended that Clydesdale swap the notes as long as ID was provided for the carer and for Ms T, and Clydesdale was able to verify the exchange with Ms T on the phone on the day. The Investigator also recommended Clydesdale pay Ms T £50 for the poor service she had received.

Clydesdale initially agreed to this, with some additional requirements. It said it would allow the carer to pay in the old notes and then withdraw new notes under the following conditions:

- Clydesdale would check every note was legitimate
- The carer provided ID
- A signed letter was provided from Ms T giving authority for the exchange
- Clydesdale would check the signature on its systems to make sure it was legitimate
- Clydesdale would call Ms T at home and get verbal permission for the exchange
- All of these steps would be documented to provide an audit trail

Ms T expressed some concerns about what Clydesdale were suggesting. Specifically, she noted that Clydesdale did not hold a signature for her on file for this account, so would be unable to verify that. She also questioned how Clydesdale would be able to verify it was speaking to her on the phone.

Clydesdale reconsidered its position, it has now said it is not willing to facilitate the exchange of notes under any circumstances.

As no agreement could be reached this complaint was passed to me for review, and I issued my provisional findings on 20 July 2023. I explained why I felt that Clydesdale had provided poor service to Ms T, and recommended that it pay her £200 to recognise this, but I did not consider that Clydesdale was obliged to exchange the notes for her.

Clydesdale accepted my findings. Ms T has provided a detailed response setting out why she does not think Clydesdale has treated her fairly.

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.

In my provisional decision I explained the following:

"I understand Ms T feels that Clydesdale has failed to offer her reasonable adjustments in light of her particular circumstances – referencing the Equality Act 2010. For clarity, as a service, it's not our role to say whether a business has breached the Equality Act 2010 or discriminated against its customer – that's for the courts to do. We're an informal alternative to the courts and decide complaints on a fair and reasonable basis. For the purpose of this decision, based on what Ms T has told us about her disability, it appears the Act is a relevant consideration when deciding this complaint as a court is likely to find that she's 'disabled' as defined by the Equality Act, so I've taken that legislation and what it says about how businesses should treat consumers into account when considering this complaint and whether Clydesdale has acted fairly and reasonably here.

Clydesdale has now said that even if Ms T were able to visit the branch it would not be willing to facilitate this exchange of notes. Both Clydesdale and Ms T have noted that Clydesdale does not hold either a signature or photo ID for Ms T. I also note that the banking relationship between Ms T and Clydesdale is extremely limited, her account was only opened in August 2022 and had been used for only limited transactions. Given the potential risks to Clydesdale of accepting, and exchanging, a large amount of cash from an account holder who they are unable to fully verify, I don't consider it is unreasonable that Clydesdale has decided it does not wish to offer this service to Ms T. As although there is a duty to make reasonable adjustments, there's also other banking regulations Clydesdale need to

adhere to, particularly regarding the information it holds about its customers and what it knows about any transactions they wish to make.

So I'm satisfied that it is reasonable for Clydesdale to decide not to agree to the exchange in these circumstances, and it seems that any customer, regardless of disability, would likely also be unable to exchange such a large amount of cash without further verification of their identity or a more established banking relationship. So I'm satisfied that Clydesdale's decision does not mean that it has treated Ms T unfairly when considering the requirements of the Equality Act.

However, I do think Clydesdale could have explained this to Ms T at a much earlier stage. I can also see that Clydesdale has said more than once that it could carry out the exchange – under certain conditions – and then has changed its mind. And from the outset Clydesdale didn't reasonably manage Ms T's expectations around what they could do to help her in this case. I consider that this lack of clarity has caused this issue to be unnecessarily drawn out, and I do think that this will have caused Ms T distress and inconvenience.

Our Investigator originally suggested that Clydesdale pay Ms T £50 to recognise any distress and inconvenience caused. I consider a higher award is appropriate in the circumstances of this complaint. So I intend to tell Clydesdale to pay Ms T £200 compensation for the distress and inconvenience caused here."

I appreciate the time Ms T has taken to provide such a detailed response to my provisional findings. I won't though be addressing every point she has made in the same level of detail, I mean no disrespect by this but I intend to focus on the main issues that have led to my findings.

Firstly, though, I'd like to address some issues where Ms T says my provisional decision was not accurate.

In the background section of my provisional decision I noted that Ms T had opened her Clydesdale account in order to facilitate this exchange of notes. Ms T has said that was not accurate. I apologise if there was any misunderstanding here, but I do note that in an email to us in February this year Ms T specifically stated that she opened this account for that reason. In any case, the reason why she opened the account is not material to the decision I'm reaching here.

Ms T has also noted that she thinks it was inaccurate for me to say that she had only a limited banking relationship with Clydesdale. She's noted that she had long standing accounts with a related part of the business. But the issue here is the limited transaction history on her Clydesdale current account, which has added to Clydesdale's overall concerns about facilitating this exchange of notes.

Ms T has also commented that it was wrong to say her carer failed to turn up to an agreed appointment to exchange the notes. I again apologise for any misunderstanding, but the important factor here is that her carer did not attend the branch to exchange the notes when Clydesdale had initially said it was willing to facilitate the exchange, and by the time Ms T was able to try and arrange an appointment Clydesdale had changed its mind.

As I explained in my provisional decision, I acknowledge that Clydesdale did go back on what it said it would do more than once, which is why I recommended that it pay Ms T £200 compensation, but I remain satisfied that it is not reasonable for me to insist that Clydesdale carry out this exchange for Ms T in the circumstances.

I appreciate that Ms T has said she has a full audit trail of where the funds she wishes to exchange came from, but that doesn't change the fact that Clydesdale is entitled to assess the risk it is willing to expose itself to here and it has, ultimately, decided that it is not willing to carry out this exchange of cash bearing in mind the various concerns it has. Ms T has referred to comments she says she's had from the Bank of England and the Financial Conduct Authority about her circumstances. But I'm not aware of anything that would require Clydesdale to carry out this exchange regardless of any concerns it may have. I consider that Clydesdale has expressed reasonable concerns about what Ms T is asking it to do and I don't think it is unreasonable for it to refuse Ms T's request in the circumstances.

I appreciate Ms T's concerns that she has been discriminated against due to her disability, but as I explained in my provisional decision, I'm satisfied that Clydesdale's decision does not mean that it has treated Ms T unfairly when considering the requirements of the Equality Act.

I know this will be disappointing for Ms T but my decision is unchanged, Clydesdale needs to pay her £200 to recognise the poor service provided here, but I won't be asking it to do anything more.

Putting things right

To resolve this complaint Clydesdale should pay Ms T £200.

My final decision

I uphold this complaint in part. 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 Ms T to accept or reject my decision before 28 September 2023.

Sophie Mitchell
Ombudsman