

The complaint

Ms G complains about Clydesdale Bank Plc's, trading as Virgin Money, process, procedure and communications when interest rates change and feels this has caused her a financial loss.

What happened

Ms G has an online Double Take E-ISA account with Virgin.

Virgin sent Ms G emails notifying her of changes to the interest rate. However, Ms G had missed these email notifications and, when she logged onto her account, she was shocked to discover the interest rate her funds were earning.

Ms G complained to Virgin. In response to her complaint Virgin said they successfully delivered emails to the correct email address on:

- 19 May 2020, informing her that the interest rate was changing from 1.30% to 1.01%.
- 9 November 2020, informing her that the interest rate was changing from 1.01% to 0.61%
- 1 March 2021, informing her that the interest rate was changing from 0.61 to 0.41%

Ms G complained to our service. Ms G thinks Virgin have committed malpractice as they should've sent her more than one interest rate notification email. She says this is what other banks do. Also, she feels a 2-week notification period is insufficient and Virgin have used false language as she doesn't consider their rates to be good value. In addition, she says mail was her preferred method of communication and not email.

Ms G is seeking financial redress as, had she known about the interest rate, she would've moved her funds. She is also seeking redress for the distress she experienced when she realised the interest rate was 0.41% rather than 1.3% and she considers her loss of interest to be approximately £2,500. Ms G says this has kept her awake at night and believes this has impacted on her health.

Our investigator didn't uphold Ms G's complaint and said Virgin had contacted Ms G by the correct contact method and in time for her to make an informed choice regarding her finances.

As Ms G remains dissatisfied, this case has now been referred to me to look at.

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 this complaint and I'll explain why.

I should explain that our service can't tell a business to change its policies, procedures or processes. I say this because we aren't the regulator of the financial services industry.

However, where we think a business hasn't acted fairly and reasonably in the circumstances, our role is to decide what should be done to put right any financial or non-financial losses that a consumer has experienced.

I first considered if it was reasonable for Virgin to only communicate interest rate updates electronically.

From reviewing the file, I'm satisfied that Virgin made it clear that the Double Take E-ISA account is an online account, that operates as such, and customer contact is set as e-mail for all correspondence. In addition, to the title of the account being an E-ISA, Virgin's 'Key product information' document and terms and conditions say:

- 'Each month that there is a transaction on your account (other than interest), we may email you at least once to let you know a statement is available to view online'
- 'You can view your transactions online at any time'
- 'If the interest rate changes, we will email the customer if the account is online'

Also, Virgin don't have a record of Ms G requesting paper correspondence and Virgin respond to all complaints about all accounts by mail.

I then checked the file to confirm that Virgin sent Ms G electronic rate change notifications to the correct email address. Having done so, I'm satisfied that they did. I'm also satisfied these were received as Ms G says they were, but she missed them.

I recognise that Ms G accepts she missed the notifications, and her point is that Virgin should've sent more than one update. As stated by our investigator there are no specific guidelines on how many interest rate update emails (or letters) a business should send out in case customers miss them. In this case Ms G missed a number of emails over a long period.

Considering the account was clearly an electronic account and the 'Key product information' document and terms and conditions refer to email contact, I'm not persuaded that Virgin were at fault for only sending one email. And I think Miss G had a responsibility to check messages about her account.

In addition, Ms G was able to view her account and e-statement which displays the interest rate. Furthermore, she was made aware when interest was being credited. So, I don't think it is fair or reasonable to ask Virgin to provide compensation for an interest rate viewed as uncompetitive, when a customer hasn't been checking either emails or statements.

Furthermore, customers are responsible for checking the competitiveness of savings accounts and the Double Take E-ISA account provides other benefits.

Regarding Ms G's dissatisfaction with a 14-day notice period for an interest rate change I don't consider this is unfair or unreasonable for an account which allows withdrawals and the terms and conditions, that Ms G would've agreed to, say:

'Rates are variable. This means we may increase or decrease interest rates at any time. When we decrease interest rates we will give you at least 14 days' notice before the rate reduces. You can request full closure or transfer of your ISA without being charged even if you have already made two withdrawals that calendar year. Please refer to section 10 within the Savings terms and conditions'.

So, having considered the above and all the information on file, I can't see that Virgin have done anything wrong here and I'm not upholding this complaint.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 9 March 2024.

Paul Douglas
Ombudsman