

The complaint

Mr R is unhappy about several aspects of the service he received from Clydesdale Bank Plc, trading as Virgin Money, surrounding his request to switch his accounts to another provider.

What happened

Mr R instructed a current account switch from his Virgin to another provider. The other provider requested the switch from Virgin, but Virgin didn't complete the switch as requested. Mr R contacted Virgin about this and manually transferred some of his money while on the phone with one of Virgin's agents. The Virgin agent Mr R spoke with agreed to transfer his remaining money to the new provider the next day, but this didn't happen. Mr R wasn't happy about this, or that Virgin didn't then close his account with them and processed a direct debit that should have been moved to his new provider. So, he raised a complaint.

Virgin responded to Mr R and noted that the new provider wasn't a party to the current account switch guarantee which meant the new provider would have had to request a transfer manually. And Virgin had no record of receiving a request from the new provider to move his money over to them.

Virgin also noted that it had been explained to Mr R on the telephone when he moved money to his new provider that he would need to call back the following day to move the rest of the money, which he hadn't done. And Virgin confirmed that they'd sent details of all the direct debits and standing orders on Mr R's account to the new provider at Mr R's request.

However, Virgin did acknowledge that they didn't close Mr R's account with them when they should have done, which led to a direct debit payment being made from the account which shouldn't have been, which in turn caused Mr R to incur adverse credit file reporting. And Virgin apologised to Mr R for not dealing with his complaint in a timely manner. Virgin made payments totalling £175 to Mr R as compensation for the above and removed the adverse reporting from his credit file. And Virgin also reimbursed £1.39 interest Mr R had incurred on his Virgin account when it was overdrawn because of the wrongly paid direct debit.

Mr R wasn't satisfied with Virgin's response, so he referred his complaint to this service. One of our investigators looked at this complaint, but they felt Virgin's response to Mr R's complaint already represented a fair resolution to what had happened. Mr R remained dissatisfied, so the matter was escalated to an ombudsman for a final 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.

I issued a provisional decision on this complaint on 23 October 2023, as follows:

Mr R has explained that he requested a switch of his accounts from Virgin to the new provider, but that Virgin didn't initially act on the request to switch his accounts as they should have done.

When an account switch takes place, the bank to which the account will be moved contacts the bank which presently hold the account to request the switch. This means that, in this instance, it was the responsibility of the new provider that Mr R wanted to move his accounts to, to have contacted Virgin and initiated the switch of Mr R's accounts. Additionally, given that the new provider wasn't a member of the current account switch guarantee scheme at the time in question, this meant that the new provider would have had to have requested the manual transfer of Mr R's accounts.

Virgin explained to Mr R in their response to his complaint that they have no record of receiving such a request from his new provider. And while Mr R has said in his correspondence with this service that he has proof that his new provider did contact Virgin to request the switch when he says that they did, he hasn't provided this proof to this service since referring his complaint to us in March 2023. As such, I don't feel that there is compelling or sufficient reason for me to conclude that Virgin did receive a switch request from the new provider, but then failed to act on that request.

Additionally, I've listened to the telephone call between Mr R and Virgin's agent when he called about his money not being moved as he'd requested and when he moved a portion of his money from Virgin to the new provider. And having done so, I feel it's clear from that call that Virgin's agent did explain to Mr R that he would need to call Virgin again the following day to instruct the movement of the remainder of his money from Virgin to the new provider. Indeed, Virgin's agent explained to Mr R that she would leave a note of what needed to be done on the file in case Mr R spoke to an agent other than her when he called Virgin back the next day.

As such, I won't be upholding these aspects of Mr R's complaint. This is because I don't feel it has been reasonably demonstrated that it was Virgin, and not the new provider, that made the error regarding the initial request to move Mr R's accounts not being actioned as he expected. And because I feel the reason the second portion of Mr R's money wasn't moved to the new provider when he wanted was because he didn't call Virgin back to instruct that transfer, which it was explained to him that he would need to by Virgin's agent.

Mr R is also unhappy that, when Virgin did move to transfer his accounts to the new provider, they didn't transfer the direct debits and standing orders that were present on his account correctly. But Virgin have been able to demonstrate to my satisfaction that, when they received a request to do so, they did send the new provider the details of all the direct debits and standing orders on Mr R's account. And I don't feel that Virgin should fairly be considered responsible for whether those direct debits and standing orders were set up correctly, following the provision of the information about them by Virgin to the new provider.

However, Virgin have acknowledged that they didn't close Mr R's account when they should have done which led to a direct debit being paid which shouldn't have been paid and which led to Mr R's account going into an overdrawn position and being reported as such to the credit reference agencies.

When a bank makes a mistake, it's generally expected by this service that the bank would take the corrective action required to return the complainant to the position they should have been in, had the error never occurred. To a large degree, I believe that Virgin have done that here. And I say this because they've corrected Mr R's credit file reporting so that it as if his account never went into an overdrawn position and because they've reimbursed £1.39 of interest that was incurred on the account because it was overdrawn.

However, Virgin have also confirmed to this service that Mr R's account had incurred £12 of charges because it was in an overdrawn position, as well as further interest of £1.40. Virgin

have offered to reimburse these amounts to Mr R also, which I feel would be fair. And so, I'll be provisionally upholding this complaint in Mr R's favour on the limited basis that Virgin should reimburse a further £13.40 to him, as a sum of the amounts discussed above.

Virgin have also made payments of £175 to Mr R, primarily as compensation for not closing his account when they should have done. I'm aware that Mr R feels that a larger award of compensation is merited here, but I feel the £175 that Virgin have already offered to Mr R does represent fair compensation for this specific aspect of his complaint.

In taking this position I've considered that this compensation is primarily for Virgin not closing Mr R's account when they should have done, and not about other aspects about which Mr R has complained – such as that Virgin didn't act to transfer his accounts when first requested or didn't transfer the remainder of his money when he expected – which as explained above are aspects of Mr R's complaint that I do not uphold.

I've considered the specific impact of Virgin not closing Mr R's account when they should have done on Mr R, and also the general framework which this service uses when assessing compensation amounts for upset and inconvenience – further details of which can be found on this services website. And, having done so, I feel that Virgin have already paid a fair level of compensation to Mr R here and so I won't be instructing them to pay any further compensation as he would like. Additionally, I can also confirm that this service doesn't consider any hourly or daily rate which a complainant asks this service to take into account when assessing fair compensation. This is because this service doesn't consider any one person's time to be any more or less valuable than any other person's time.

Finally, I note that Mr R is unhappy with how Virgin have handled his complaint. However, as per the rules by which this service must abide – which can be found in the Dispute Resolution ("DISP") section of the Financial Conduct Authority ("FCA") Handbook – this service is only able to consider complaints about specified activities, of which complaint handling isn't one. In short, this service can't consider a complaint about how a business has handled a complaint. And this means that this aspect of Mr R's complaint isn't one that it's within my remit to consider.

All of which means that I feel that Virgin's response to Mr R's complaint does, for the large part, already represent a fair outcome to what has happened here. However, as explained above, I will be provisionally upholding this complaint to instruct Virgin to honour their offer of £175 compensation to Mr R – if they haven't already done so – and to instruct Virgin to reimburse a further £13.40 to Mr R, as described above.

In my provisional decision letter, I gave both Mr R and Virgin the opportunity to respond and to provide any comments or new information they might wish me to consider before I moved to issue a final decision. Virgin confirmed that they were happy to accept my provisional decision, whereas Mr R did not respond.

As such, I see no reason not to issue a final decision here in which I uphold this complaint in Mr R's favour on the limited basis described above. And I therefore confirm that my final decision is that I do uphold this complaint on that basis accordingly.

Putting things right

If they haven't done so already, Virgin must pay £175 compensation to Mr R, as per their offer to do so.

Virgin must also reimburse £13.40 to Mr R.

My final decision

My final decision is that I uphold this complaint against Clydesdale Bank Plc, trading as Virgin Money, on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 19 December 2023.

Paul Cooper
Ombudsman