

The complaint

A company which I'll call 'G' complains that Clydesdale Bank Plc (trading as Virgin Money) treated them unfairly when it restricted access to their sterling and currency accounts.

The complaint is brought on G's behalf by their secretary, Mr H.

What happened

G told us:

- When Clydesdale merged with Virgin Money, there were errors in how their accounts were transferred including duplicate accounts and losing documents that had been provided.
- They should be able to view their accounts on their banking app, however due to a technical issue, the accounts kept being removed and then reinstated. The currency account has also been missing from their internet banking for around two years.
- They have contacted the bank on numerous occasions about the account issue and either been stuck on hold for hours or promised a call back which isn't received. And when Mr H had called, he'd been incorrectly told that the bank couldn't speak to him as it didn't hold the right mandate authority.
- Not having access to their accounts, which hold significant balances, means they haven't been able to invest in the manner they would like and have had to use alternative accounts and haven't been able to pay tax and accountancy bills when they are due.

Clydesdale told us:

- There had been a system issue with G's account which had meant their currency account wasn't visible to them. This had been logged in October 2022 but unfortunately, hadn't been resolved until June 2023.
- It agreed that Mr H had been given incorrect information when its staff said they couldn't talk to him as it didn't hold the correct mandate authority. This was an error and it had given feedback to the staff involved.
- It agreed that it hadn't given G any updates for around nine months or returned their calls when requested. This was below the level of service it should have provided.
- It had apologised for the issues G had experienced and offered £600 compensation for the inconvenience caused.

Our investigator thought Clydesdale had done enough to put things right. She said that her original opinion had been that Clydesdale should resolve G's technical issue and pay £500

compensation for the inconvenience caused. However, Clydesdale had now fixed the issue, apologised, and offered £600 compensation – which she thought was fair.

C didn't agree. They said £600 wasn't enough compensation for the time taken to resolve their issue as their currency account hadn't been visible for two years. So, G asked for an ombudsman to review their complaint and the case has been passed to me to decide.

I issued a provisional decision on 28 November 2023. I said the following:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. As both parties agree on the background to the complaint and the errors that have taken place, I won't comment further on these. Instead, I'll focus my decision on how I think Clydesdale should put things right.

I can see that since the complaint has been brought to this service, Clydesdale have resolved the technical issue with G's access to their account. The bank has offered the company £600 compensation for the inconvenience caused. G says that this isn't enough compensation for issues they have experienced – and I agree. I say this because G has told us that they have been caused significant inconvenience because their currency account has disappeared from their online banking for weeks at a time over the last two years. Clydesdale hasn't disputed this and acknowledged it has taken the bank a long time to investigate and resolve the issue that G was experiencing.

G has told us that they don't have statements for the account and when it is removed, they can't make the trades that they need to do for the business. G has explained that they have tried to mitigate the impact of not being able to use their banking app by going into the branch and sending correspondence to request the transfers. However, when the account has been removed from the app, it's not been visible to the branch staff either. G also said that they haven't received responses to their written transfer requests, and when they've called the bank, they have been told there is a technical issue and been promised a call back which hasn't happened. This has meant Mr H has spent time away from his own role trying to locate the missing funds and seeking ways to access the account.

I can see that Clydesdale did update G to say that it was still investigating their issue, However, this only appeared to be when they received a request from G rather than proactively. I've also seen that the bank told G how they could make transfers whilst they didn't have access to the account, however I've seen correspondence that shows G attempted requests, but these don't appear to have been actioned by Clydesdale in the way they should have been. So, I'm not persuaded the bank treated G reasonably here.

G told us that they also didn't get statements for the account because it kept being removed from the system. I can see these were emailed to Mr H in April 2023, so I'm pleased to see that this has now been resolved, however I recognise this would have been frustrating for G for an accounting perspective as they've told us the directors had to use alternative accounts instead. And I can see from Clydesdale's case notes that it accepts the issue had been going on for around 300 days, so it's likely there would have been significant amounts of information to reconcile. G hasn't been able to evidence any extra costs involved from an accountancy perspective. However, on balance I think it's likely G would have incurred more costs for this because other accounts had been used to make the required transactions.

Mr H says that G's directors had been caused concern as this loss of account information was a security risk. However, I'm not persuaded there was a security risk as the issue was simply that G couldn't view their account online, rather than anyone else being able to view the account or that the funds had been removed – although I do recognise this would have been a concern for G. However, on the basis that Clydesdale gave G contact details for the bank to be able to make transfers between G's accounts, I think G ought to have been aware that the account was still active and in place as it should have been. And if G chose to, they could obtain its balance and move funds when needed – albeit that the bank didn't action this as promptly (or at all) when it should have. G told us that they had incurred a financial loss as a result of Clydesdale's actions. However, they haven't been able to provide any evidence of this, so I don't intend to order Clydesdale to make a payment in respect of this financial loss.

I recognise G's frustration at how their account was treated when it was moved between Clydesdale's different banking entities. And that they believe the bank should be dealt with severely because of its actions. But my role isn't to fine or punish a business for making a mistake. If G wishes to do so, they can raise their concerns about Clydesdale's actions with the regulator, the Financial Conduct Authority (FCA). However, I would like to make G aware that the FCA do not respond to individual complaints.

Based on what I've seen, I think Clydesdale caused G inconvenience for at least a year. I also don't think the bank did enough to provide G with reasonable alternatives to manage their account whilst it was investigating the issue. Therefore, taking all the circumstances into account I think it should increase the compensation from the £600 it offered to £1,000 – to take into consideration the inconvenience and costs that G has incurred to reconcile the issue.

I invited G and Clydesdale to give me any more evidence and information they wanted me to consider before issuing my final decision. Both G and Clydesdale accepted the decision and had nothing further to add.

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, and as both parties have responded to say they accept my provisional Decision and have nothing further to add, I see no reason to reach a different conclusion. So, this final decision confirms the findings and proposed settlement as set out in my provisional decision.

My final decision

My final decision is that I uphold this complaint. I instruct Clydesdale Bank Plc to pay G £1,000 compensation for the inconvenience caused and associated costs the company incurred.

Under the rules of the Financial Ombudsman Service, I'm required to ask G to accept or reject my decision before 27 December 2023.

Jenny Lomax
Ombudsman