

## The complaint

Mr T complains that Clydesdale Bank Plc trading as Virgin Money hasn't provided sufficient compensation given the distress and inconvenience caused by it incorrectly duplicating transfers from his account. The payments were being made to Mr T's other accounts (including one in joint names with Mrs T).

## What happened

In March 2023, Mr T instructed Virgin Money to make two transfers (one for £75,000 and one for £70,000) to accounts he held with other financial institutions. Virgin Money made a mistake and duplicated the transactions resulting in Mr T's account being over £100,000 overdrawn. Mr T says this caused a lot of stress and anxiety and that he made several visits to Virgin Money as well as the other financial institutions trying to resolve this issue. Mr T says that Virgin Money didn't support him as it should have after making the initial mistake and at one point said it had done all it could, and Mr T would need to sort it himself. He says this issue took months to resolve during which time they feared for their financial future.

Virgin Money issued a final response letter dated 23 May 2023. It apologised for the mistake made in March 2023 when a staff error resulted in duplicate transactions leaving Mr T's account. It said its payments team had been liaising with the relevant parties to recall the money to return Mr T to a position he would have been had the mistake not been made. However, it said that the third parties it was liaising with had said they hadn't been able to obtain the authority they needed and requested that Mr T contact them directly. It said that once the recredits were made a calculation would be made for lost interest. It arranged for a payment of £200 to be made to Mr T for the distress and inconvenience caused.

Virgin Money sent further correspondence to Mr T about the issues with the recall of the money and issued a further final response letter dated 18 July 2023. In this it apologised again and said that its payments investigations team had followed the correct process to recall the funds but again said that the third parties were waiting for debit authority to be provided before the recall request could be completed. It acknowledged that Mr T had needed to spend time visiting branches to try to resolve the issue and while it said it had made every effort to get the money returned it accepted that the issue had arisen due to a mistake it had made. Because of this it offered to pay Mr T a further £300 (bringing total compensation for the distress and inconvenience to £500).

Our investigator upheld this complaint. He thought that Virgin Money had done what was expected regarding the award for the loss of interest. But he didn't think that the compensation of £500 was sufficient given the length of time it took to remedy the issue and the amount of time and effort that Mr T spent trying to resolve the issue with the business. Because of this he thought £750 compensation was reasonable.

Virgin Money agreed with our investigator's view regarding the additional compensation. Mr T didn't.

Mr T said that £750 didn't take into account the distress, anxiety, fear and trepidation he and Mrs T were subjected to due to Virgin's error and it subsequently not assisting in the recovery of the money. He reiterated that his account went from over £200,000 in credit to an overdraft of over £100,000 and said he received warning letters about the overdraft affecting his credit file.

### **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.

There is no dispute that Virgin Money was responsible for the initial mistake that gave rise to this complaint. On 14 March 2023, Mr T went into a Virgin Money store to make two transfers from his savings account. A mistake was made inputting the account number from where the funds were being sent and so the transactions were re-input. However, the account number error had already been identified by Virgin Money and the result was that the transactions were duplicated meaning that a second payment of £75,000 (transaction 1) and a second payment of £70,000 (transaction 2) were made from Mr T's account to his accounts (including a joint account) at other financial institutions. This put Mr T's Virgin Money account into an overdraft position (with an overdraft of over £100,000).

When a mistake has been made, we would expect the business to put the customer back in the position they would have been had the mistake not happened and, where appropriate, to pay compensation. In this case the money has now been returned to Mr T's Virgin Money account, and he has been compensated for the loss of interest on his money while it wasn't in his account. Therefore, I find this puts him back in the position he would have been had the mistake not been made. The outstanding issue is whether the £750 compensation recommended by our investigator and agreed to by Virgin Money, for the distress and inconvenience Mr T has been caused, is reasonable.

The mistake was identified by Virgin Money on the day it happened, the 14 March. Mr T was told about the issue and a request was put into the payments investigations team to recall the duplicate payments. While the mistake shouldn't have happened, I think the action taken at this time was reasonable.

Unfortunately, there was then an extended period before the money was returned to Mr T's account. I note Mr T's comments about the stress and anxiety this issue caused him, that he was concerned by letters received about his overdraft affecting his credit file and I also appreciate that Mr T had to take action to help resolve the issue with the return of the money. I have taken all of this into account when considering a reasonable level of compensation.

Against the issues Mr T has raised, I have also considered that the duplicate payments were made into accounts held by Mr T (including a joint account with Mrs T). Therefore, this isn't a case where the money was sent to a different beneficiary, Mr T was the beneficiary of the duplicate payments.

Regarding transaction 1, the transfer was credited back to Mr T's Virgin Money account on 22 June 2023. This was over three months after the mistake had been made. While I can see that Virgin Money had taken steps to try to recall the money it was Mr T that got the financial institution to transfer the money back to his Virgin Money account. Mr T has said that he couldn't complete the transfer sooner as he wasn't sure where the money was in the system. I can't say whether the money was held in Mr T's account with the financial institution or if it was placed in a holding account following the recall request, but I accept that Mr T was uncertain about the whereabouts of the money and how to get this returned to

his Virgin Money account. This caused him upset and inconvenience.

Regarding transaction 2, the money was credited back to Mr T's Virgin Money account on 14 July 2023. This was four months after the mistake had been made. I can see that a letter was sent to Mr and Mrs T dated 14 April 2023 from the financial institution that the money had been paid to. It confirmed it had been contacted by Virgin Money about the £70,000 payment and that this had been removed from the account. The letter said that Mr and Mrs T should get in touch if they could provide proof the payment was meant for them, and it could put the money back into their account. While I appreciate that this issue had arisen due to Virgin Money's mistake, Mr T could have made contact to have the money returned to his account at that time.

In its letter dated 23 May 2023, Virgin Money said that its payment investigation team had been liaising with the relevant third parties to try to recall the money sent in error but had been advised that the third parties had been unsuccessful in contacting Mr T to obtain authority which was required for the return of the money. The need for the authority from Mr T was also noted in the 20 June letter. I can understand why Mr T feels that Virgin Money was passing the responsibility of resolving the mistake to him but there was a process that needed to be completed and while I agree this will have caused Mr T inconvenience, I do not find I can say that Virgin Money was wrong to alert Mr T to the steps that needed to be taken.

I can see that Virgin Money had made several unsuccessful attempts to contact Mr T in the months following the issues being identified. Had contact been successful at this time it could have resulted in this issue being resolved sooner.

So, taking everything into account, while I do not underestimate the distress and anxiety this issue has caused Mr T and I acknowledge the time he had to spend ensuring the return of the money to his correct account, for the reasons set out above, I find that £750 compensation is a fair resolution to this complaint.

### **Putting things right**

Clydesdale Bank Plc trading as Virgin Money should pay a total of £750 (which includes the £200 paid and further offer of £300) to Mr T for the distress and inconvenience caused as a result of the duplicate transfers and subsequent issues in reclaiming the money.

### **My final decision**

My final decision is that Clydesdale Bank Plc trading as Virgin Money should take the action set out above in resolution of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T and Mr T to accept or reject my decision before 1 April 2024.

Jane Archer  
**Ombudsman**