

The complaint

Mrs W complains that Clydesdale Bank Plc (trading as Virgin Money) acted unfairly when it allowed a payment she received to be returned to its sender, without her permission. Mrs W also complains that she received a poor level of service from the bank when she got in touch to enquire about this issue. Mrs W adds that the bank unfairly closed her account.

What happened

In January last year, Mrs W contacted Virgin Money after noticing a payment she'd received had been returned to its sender. Virgin Money at the time couldn't establish exactly why the payment was recalled by the sending bank. Mrs W is unhappy that Virgin Money allowed for this to happen, so she raised a complaint.

Mrs W says she experienced a poor level of service from the bank when she got in touch about this issue. She says she received incorrect advice from the bank's staff via its online chat service and that she was unnecessarily cut-off from the chat service multiple times.

In its response, Virgin Money couldn't offer an explanation as to why the payment in question was returned. It advised Mrs W to speak to the sender – the bank also pointed out that the sender had since made the payment again. Virgin Money also paid Mrs W £50 compensation for the poor service she received.

Separately, following the bank's concerns about another payment Mrs W received, Virgin Money decided to close her account. Mrs W thinks this was done unfairly because the problem with the payment was a result of Mrs W following advice from the bank.

Remaining unhappy, Mrs W referred her complaint to this service. She wants the bank to pay her more compensation because of the stress she says the bank caused her.

Our investigator decided that the bank had handled this matter fairly. The investigator specifically pointed to new information from the bank, which was an online chat interaction, during which Mrs W appears to have requested the return of the payment in question. Mrs W doesn't agree with our investigator – she says the online chat transcript Virgin Money has sent us was fabricated.

Because Mrs W remains unhappy, the complaint has been passed to me to decide.

My provisional decision

I recently issued my provisional findings, in which I said:

Mrs W is concerned that a third-party bank was able to recall a payment made to her without her consent. But this doesn't seem to be what happened here. As our investigator pointed out, it appears Mrs W contacted Virgin Money via its online chat service and asked for this payment to be returned. I can see the bank agreed to raise this request to the relevant team and it has sent us a copy of the internal request to return this payment.

Mrs W claims she didn't engage with Virgin Money in this way and that the copy of the chat

the bank has sent us is fabricated – she says she never made the request that the payment be returned. Virgin Money has sent us a copy of its system records, which appears to confirm it was indeed Mrs W who communicated this request via the chat service. The bank's system also seems to have authenticated her at the time.

So I'm satisfied that the information Virgin Money has sent us is genuine and I think it's more likely than not that Mrs W asked the bank to return this payment. Therefore, I don't think the bank acted unfairly by doing so.

Mrs W thinks Virgin Money acted unfairly when it decided to close her account. It seems the bank made this decision after Mrs W decided against returning a payment she received for goods she was selling. Mrs W says she asked the sender to recall the payment themselves via their own bank because, during a telephone call, Virgin Money advised her to take this course of action.

I've listened to the relevant call and I share our investigator's opinion on what happened. Virgin Money's reference to a third-party recalling a payment seems to have been shared as an example in response to Mrs W's queries. There doesn't seem to be any instance where Mrs W was directed to ask the sender to recall the payment themselves.

Virgin Money points to a message chain, that it has provided us with a copy of, during which Mrs W seems to initially reach an agreement with the sender to issue a refund for the purchase that was made. Mrs W later refuses to do so and directs the sender to contact their own bank. Ultimately, this seems to have been a buyer/seller dispute that ended unpleasantly. And Mrs W seems to have misinterpreted the bank's advice and wrongly directed her buyer to recall the funds via their own bank. This is likely what subsequently led to this payment being classed as a potential scam, given the seller went on to claim the funds back via their own bank.

The bank's terms allow it to close Mrs W's account whenever it chooses if it provides her with two months' notice. I don't think it's unreasonable that Virgin Money chose to exercise its rights under this term because of what happened. Moreover, I can see the bank issued her with the appropriate notice period, so I'm satisfied that Virgin Money acted reasonably.

I can see from the information on file that Mrs W experienced some issues when communicating with Virgin Money via its online chat service. Virgin Money already acknowledged that the service Mrs W received wasn't always to the expected standard and paid her £50 compensation because of this.

Mrs W wants £1,000 compensation for the stress she experienced. I can appreciate that the circumstances surrounding her whole complaint likely caused her stress, particularly as she was moving home around the time. But I can only award compensation where I think Virgin Money did something wrong and the impact of such wrongdoing unfairly caused Mrs W distress and inconvenience. However, as I explained, I'm satisfied the bank acted fairly when it returned the payment Mrs W was unhappy about and when it decided to close her account.

So in my view, the £50 Virgin Money has already paid Mrs W fairly makes up for the stress she experienced because of the bank's poor service towards her. So I don't intend to increase the compensation award.

In summary, I think Virgin Money acted fairly and on Mrs W's instructions when it returned the payment she now complains about. I note that Mrs W would've been disappointed by the bank's decision to close her account, but I'm satisfied that Virgin Money acted reasonably in doing so. Although Mrs W would like further compensation, I'm of the view that the

compensation the bank has already paid is a fair way to make up for the distress and inconvenience Mrs W experienced.

Virgin Money didn't respond to my provisional findings. Mrs W disagrees with my findings, she says:

- I've unfairly sided with Virgin Money and that the Ombudsman Service as a whole is protecting the business
- She never accepted the £50 compensation, nor has she been paid it – she adds that I was wrong when I said that she asked to be paid £1,000 compensation
- That she took what she was told by Virgin Money over the phone as advice – so if another bank was able to recall a payment that was made to her without her involvement, then she acted reasonably by directing her buyer to do the same
- That the copies of the message chain Virgin Money sent us is fabricated and that the business wrongly informed her that it was unaware why the initial payment was returned to its sender.

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, my decision remains the same.

Regarding Mrs W's recent submissions:

- My opinion on what was said during the relevant call remains the same – I'm satisfied that the Virgin Money call handler's reference to a bank being able to recall a transfer was not given as advice to Mrs W. As Mrs W says, she took this as advice and asked her buyer to arrange for their funds to be returned via their own bank. But, in my view, Mrs W's misinterpretation isn't because of something Virgin Money did wrong.
- As I said previously, despite Mrs W's claims, I'm satisfied that the information Virgin Money has sent us is genuine. I've seen nothing that makes me think anything – including copies of Mrs W's chat messages - was fabricated.
- Virgin Money's submissions to us indicates that Mrs W was paid £50 compensation. If Mrs W hasn't received this payment, my suggestion is that she contacts the business to query this.
- In her complaint form, Mrs W asks that Virgin Money pay her £1,000 compensation. My reference to this figure was based on this submission by Mrs W.
- I'd like to reassure Mrs W that her complaint has been investigated and my decision has been reached in an independent and impartial manner. I appreciate that the decision I've reached may come across as favouring the business, but in fact I've reached this decision based on what I think is fair and reasonable.

So I won't be changing my decision not to uphold this complaint.

My final decision

For the reasons explained, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or

reject my decision before 16 February 2024.

Abdul Ali
Ombudsman