

The complaint

Mr G complains that Clydesdale Bank Plc, trading as Virgin Money, delayed transferring his money to a third-party savings account which cost him interest.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I will focus on giving the reasons for my 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.

Having done so I agree with the conclusions reached by the investigator for the reasons I've outlined below:

Mr G called Virgin Money in September 2022 anticipating his Term Deposit would come to an end on 6 March. As he was living overseas at the time he also anticipated the post might take longer to reach him. He says the letter with instructions about the investment didn't arrive until 4 March giving him only until 6 March to respond in writing. Although Mr G anticipated there may be a postal delay I can't see that he contacted Virgin Money again before 4 March which I might reasonably have expected him to do.

Virgin Money provided copies of two letters it sent concerning the end of Mr G's Term Deposit. The first is dated 31 January 2023 and is addressed to Mr G's address overseas. This letter outlined the options Mr G had regarding his funds. The second letter is dated 20 February and refers to the letter sent dated 31 January. I'm satisfied these letters were sent in good time to the correct address. It wouldn't be fair or reasonable for me to hold Virgin Money responsible for any postal delays.

Mr G said he had wanted to transfer his money to a higher interest account with a different bank. Because he was unable to confirm his intentions by 6 March Virgin Money renewed the Term Deposit at 0.35%. Mr G returned to the UK for Easter, and he said he was told by Virgin Money nothing could be done.

I've seen a copy of a letter from Mr G to Virgin Money. It's dated 10 March 2023. In it Mr G said he tried to call but was kept on hold for a long time. He said:

I do not want to reinvest at the moment until I have talked face-to-face with you. Also I wish to check what other banks are offering as rates are rising. I'm back in the UK at the end of June. Could you please just hold my money or if possible invest it for three months.

I'm satisfied Virgin Money did as Mr G requested which was to put the balance in a three month Term Deposit until June.

Mr G wrote to Virgin Money in April that he wasn't happy the money had been reinvested for

a further three months, until early June. He said he wanted the three-month investment closed and immediately invested in the 18-month product. But I'm persuaded Mr G's instructions in his letter in March were clear so I'm satisfied Virgin Money didn't do anything wrong by reinvesting.

Mr G returned to the UK again in May. He said he visited a branch of another bank, X, and a branch of Virgin Money. He wanted his money transferred into his X account which would secure him a higher interest rate. He said during that visit Virgin Money said it had everything it needed to transfer money to X within three days, but the transfer didn't happen.

Mr G said he was asked for further information, but this was difficult because he had left the UK again. He didn't consider it fair to be penalised for the poor communication between Virgin Money departments. Mr G went on to say while he wanted his bank to be security conscious he would also expect it to act correctly and give him correct information. He said Virgin Money should be penalised and he should be given compensation.

Virgin Money told this service that a week after the request for early closure the Term Deposit team required a statement from Mr G's X account for confirmation of bank details or alternatively a cheque would be issued. It said it couldn't verify the X account details and it was happy to accept a scanned copy of the statement by email. It said Mr G asked the Virgin Money branch to visit the local X branch on his behalf, which it said it could not do due to General Data Protection Rules (GDPR). It said as it was transferring over £80,000 it believed it was reasonable to verify the account first.

I understand Mr G's frustration. Having visited both branches and been reassured that he had provided the information required he thought he'd done all he needed to do and so went back overseas. I'm not disputing Mr G was told that all was in order and that no further information was required. Virgin Money told this service the verification process it uses does not work for overseas addresses and as Mr G's address is overseas it could not use this. It said this would probably not have been apparent whilst Mr G was in the branch.

Given the size of the transaction and Mr G's address abroad I don't consider it unreasonable for a bank to subsequently ask for further account verification during its checking process as part of its due diligence. Had Mr G had a UK address additional verification may not have been needed or the statement required for verification may have been easier for him to provide. As it was he had left the UK. But Mr G being unable to provide the document because he was overseas isn't something I can hold Virgin Money responsible for. It's Mr G's choice to operate his UK accounts from abroad.

Virgin Money has said the transfer from Mr G's Virgin Money account to X was completed on receipt of a statement from the branch.

Mr G has said it's clear the staff at the local Virgin Money branch were unfamiliar with their own banking system/organisation. Virgin Money told this service that the transfer request was *...done as an early closure and permission for this had to be obtained... – the process is then to forward the closure request to the Term Deposit unit.*

It's not my role to investigate Virgin Money's processes. We are not the regulator, and we do not have a role in reviewing the adequacy of a business's processes, in this case the process for Virgin Money to close Term Deposit accounts. I accept that Mr G was inconvenienced when he was told no further information was required. But I don't think Virgin Money has acted unfairly by applying additional verification checks beyond those known and carried out by local branch staff. Nor do I think it reasonable to hold it responsible for any delays or inconvenience that may have arisen from Mr G being overseas.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 25 April 2024.

Maxine Sutton
Ombudsman