

The complaint

Mr T complains that Clydesdale Bank Plc trading as Virgin Money has provided him with poor customer service on multiple occasions.

What happened

Mr T says that Virgin Money have not provided him with a requested certificate of interest for his interest payment that was due on his account. He says he's rang Virgin Money twice to request a certificate for the 2022/2023 tax year, but on both occasions, the call handlers failed to locate his account, and on one call he was transferred to their fraud department, which was not applicable for his query, and wasted his time. Mr T says he needed this information to complete his tax return, so he needed to contact Virgin Money again for this. He says when he was sent a certificate of interest it was for a previous tax year.

Mr T says that he believes Virgin Money are in breach of the Banking: Conduct of Business sourcebook (BCOBS) 4.2 by not providing him a statement for his 40 month bond. Mr T's bond was due to mature on 22 May 2023, so he requested an account closure statement to be provided as early as possible and a further certificate of interest to be provided to show the interest paid into the account on closure (for the 2023/2024 tax year), but he says he hasn't received any maturity correspondence apart from a letter to provide his maturity instructions, without any indication of the expected maturity value. Mr T made a complaint to Virgin Money.

Virgin Money partially upheld Mr T's complaint. They said they couldn't support his complaint point regarding the statement of credit interest (SOCi) although they have requested this on his behalf. They said while Mr T felt having to request the document on a yearly basis is not acceptable, this is their policy, and he has been made aware of this when complaining in the past. They said they included £40 to compensate Mr T for their staff not being able to locate his account, not getting a call back, and the lack of service he received.

Our investigator thought the compensation that was offered was fair. He said Virgin Money had previously made Mr T aware that a SOCi needed to be ordered if the interest was under £500. He said Virgin Money doesn't forward closure statements to customers. Our investigator said that although Mr T said he spent hours on the phone, it's important to note that this wasn't the only way he could request the information, as he also had the option of requesting the SOCi online.

Mr T asked for an ombudsman to review his complaint. He made a number of points. In summary, he said he has no recollection of being told that a SOCi would only be received automatically if the interest earned was over £500. Mr T said Virgin Money did not adhere to BCOBS 4.2. Mr T said he was in receipt of SOCi for the 2022/2023 tax year for the bond on 6 July 2023, but it took them three months for them to deliver his request. He said he requested a statement of account at closure and a SOCi for the interest due at closure, but he has not received any communication since sending the maturity instruction, apart from the above mentioned interest certificate for the previous period.

As my findings differed in some respects from our investigator's, I issued a provisional

decision to give both parties the opportunity to consider things further. This is set out below:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Firstly, I'm aware that I've only summarised Mr T's complaint points. And I'm not going to respond to every single point made by him. No discourtesy is intended by this. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

I'd like to explain to Mr T that it is not within this service's remit to tell a business how they should operate their bond procedures including what communications they should send to a customer (such as a SOCI automatically, or a closing statement). It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct Virgin Money to make changes to their policies and procedures, if necessary.

I've considered what Mr T has said about BCOBS 4.2. I've noted the strength of feeling that he has that Virgin Money should be issuing regular statements of the account, especially as his bond was for 40 months and would have interest credited each year. Virgin Money disagree with Mr T as they say a Term Deposit is a product which is not linked to their internet banking platform, as it is designed to be a one-off deposit for a period of time with a fixed rate of interest and therefore, they feel the same visibility is not required as that of a transaction account.

While Mr T has pointed out that the annual interest is a transaction, BCOBS 4.2.1R says "A firm must provide or make available to a banking customer on paper or in another durable medium such regular statements of account as are appropriate to the type of retail banking service provided". I appreciate this could be considered subjective as Mr T and Virgin Money have opposing views on this. But I'm persuaded that the key wording here is "as are appropriate to the type of retail banking service provided". As the 40 month bond was designed to leave the money for 40 months without additional deposits/withdrawals, then I'm not persuaded that Virgin Money are unreasonable not to provide regular statements, when there would be no more than four interest entries over a span of 40 months.

I've considered what Mr T has said about him having no recollection of being told that a SOCI would only be received automatically if the interest earned was over £500. Virgin Money have provided us a letter they sent Mr T regarding a previous complaint he made to them. This letter is dated 8 June 2021, and displays the same address for Mr T as Virgin Money's recent letters to Mr T.

The letter states "After you contacted us in June 2020 regarding this matter, we confirmed customers who require a Statement of Certificate of Interest (SOCI) need to contact us to request this. We apologised we had not informed you before making this change. We also explained we do not offer an online service for term deposits due to the nature of these accounts. I have enclosed a copy of our original response. Whilst I am sorry you remain dissatisfied, I am unable to support your complaint since we have already informed you that you need to request a statement". So I'm satisfied that Mr T has been told on at least one occasion that he would need to request a SOCI prior to this complaint.

As Virgin Money's procedure is not to send a closing statement for the bond maturity, then this is why Mr T didn't receive one of these after his bond maturity. I'm aware Mr T has told us his maturity option form didn't tell him his maturity balance and I agree with him that it didn't, but as Mr T was expecting the funds to go into his account shortly after the bond matured, then he should have been aware of the closing balance. He would have been able

to calculate the closing interest from deducting the initial deposit, and the interest shown on his previous SOCI's (although I acknowledge there was a delay in the 2022/2023 SOCI being sent to him).

Alternatively, Mr T would have been able to contact Virgin Money for the closing interest. While Mr T has experienced call handlers not finding his account previously, so he may have little faith on any new calls he makes that a call handler would be able to find his accounts, Virgin Money had left a note on his account how this could be found after he first complained about them not being able to locate his bond when he rang them.

Virgin Money have explained to our service that the SOCI for 2023/2024 tax year for Mr T will be available from after 5 April 2024. They've said if Mr T needs to know the exact figures before the certificates are available, the telephone team can provide this figure verbally and the Term Deposit Unit can type up a letter if required. Mr T is also able to request a SOCI online (although the 2023/2024 tax year SOCI wouldn't be available yet), and he doesn't need to log into his account to do this (the term deposit bond is not accessible online anyway), although he may need to wait until May to do this based on the current wording on their website regarding last tax year.

I'm persuaded that Virgin Money have let Mr T down with the poor customer service they had provided him. Some examples of the poor customer service include when he rang Virgin Money for his SOCI for the 2022/2023 tax year, when two call handlers could not locate his account and he was transferred to a department who would never be able to assist him, so this would have been distressing for Mr T to be told they couldn't find his account, and to be transferred to a team who couldn't help him.

Virgin Money told Mr T they had sent him a new SOCI, but they sent a SOCI which was not related to the tax year that he requested. This meant he was inconvenienced to contact them again, and he only received the correct SOCI three months after he originally ordered one.

Virgin Money have offered £40 compensation for the poor customer service. But I'm not persuaded that recognises the impact of the poor customer service. While the complaint handler ordered Mr T a new SOCI, because of the date he ordered this for Mr T, the new SOCI wasn't available yet (ordered on 4 May 2023, but the new SOCI's were only available from 9 May 2023), so Mr T was sent a SOCI for a previous tax year which wasn't his request. I'm persuaded that an extra £85 to total £125 compensation would be fair for the multiple errors that Virgin Money made and the impact that this had on Mr T.

I'm aware Virgin Money told Mr T in the final response letter that they had included £40 to compensate him. But I'm conscious that if this was in the form of a cheque, and if Mr T has not deposited this, then this cheque may have expired/his bank account provider may not accept this due to the time that's elapsed since it was issued. So if Mr T hasn't deposited a cheque (or hasn't received the £40 offer of compensation), I'm satisfied that it would be fair for Virgin Money to cancel the original cheque and reissue him another cheque for the total compensation of £125 (or if they have the facility to make a payment direct to an account of Mr T's choosing, then they could make a direct payment). So I intend to ask Virgin Money to put things right for Mr T."

I invited both parties to let me have any further submissions before I reached a final decision. Virgin Money accepted the provisional decision. Mr T made a number of points in response to the provisional decision. In summary, he said that his denial of having a recollection of being informed about the criteria for an automatic issue of a SOCI was based on the introduction of a £500 interest threshold. The letter Virgin Money sent him dated 8 June 2021 didn't mention any threshold or reference any automatic dispatch of the SOCI.

Mr T said that the provisional decision appeared to indicate he had some online access in respect to his necessity to request a SOCI. He has not seen anything that tells him this is possible or how to do it. He said now the account is closed, its existence may be even harder for Virgin Money's call handlers to find. Mr T didn't agree with what I said about BCOBS 4.2, he said other providers send him statements of annual interest without being prompted, he needed to report the interest information to HM Revenue & Customs (HMRC) each year. Mr T said he is not making this complaint to obtain money, but to right a wrong, but he did wonder how a complainant's time is assessed and he used a senior bankers hourly rate as an example.

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.

Mr T has made a number of points to this service, and I've considered and read everything he's said and sent us. But, in line with this service's role as a quick and informal body I'll be focusing on the crux of his complaint in deciding what's fair and reasonable here.

I agree that Mr T's letter dated 8 June 2021 from Virgin Money does not specifically mention the £500 threshold or mention that a SOCI is not automatically sent to him now. But I'm not persuaded that this letter leaves him in any doubt that he would need to request a SOCI from them. This letter also references Mr T's contact in June 2020, so I've looked at the letter dated 22 July 2020 which Virgin Money sent Mr T in response to his June 2020 communication.

While this also doesn't mention the threshold, it is clear about the automatic status as it says *"I am sorry you did not receive your annual Statement of Certificate of Interest (SOCI) automatically. The banks internal process where automatic statements are ordered has changed. In order to receive an annual statement, you will need to request this over the phone."* So I'm satisfied that Virgin Money made it clear in 2020 and 2021 that Mr T would need to contact them for a SOCI.

Mr T has said that that the provisional decision appeared to indicate he had some online access in respect to his necessity to request a SOCI's. I was not indicating that Mr T had online access to his bond, however, I was explaining that Mr T had the facility to request the SOCI online (no log in details are required to do this). I will ask our investigator to send Mr T the link in order for him to request the SOCI – but it is likely to be in May 2024 that he is able to do so for the 2023/2024 tax year.

This will also remove the need for Mr T to contact Virgin Money's call handlers, although I'm persuaded that they would be able to locate his account even though it is now closed, as they made a note on Mr T's account in response to Mr T's complaint. In my provisional decision I said *"While Mr T has experienced call handlers not finding his account previously, so he may have little faith on any new calls he makes that a call handler would be able to find his accounts, Virgin Money had left a note on his account how this could be found after he first complained about them not being able to locate his bond when he rang them."*

I've considered what Mr T has said about the requirement to get this information to HMRC each year. But as I said in the provisional decision *"if Mr T needs to know the exact figures before the certificates are available, the telephone team can provide this figure verbally and the Term Deposit Unit can type up a letter if required."* So if Mr T does need proof prior to the end of the tax year from HMRC, Virgin Money have confirmed that their Term Deposit Unit can type him a letter with this information.

I've considered what Mr T has said about other providers sending him statements of annual interest without being prompted. But this would be a commercial decision for a business to make. As I said in the provisional decision *"it is not within this service's remit to tell a business how they should operate their bond procedures including what communications they should send to a customer (such as a SOCI automatically, or a closing statement). It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct Virgin Money to make changes to their policies and procedures, if necessary."*

Mr T has questioned how a complainant's time is assessed and he used a senior bankers hourly rate as an example. I've considered what Mr T has said about the time he's spent on this complaint. But I must explain to him that our awards are not designed to punish a business or to make it change the way it acts in order to protect other customers in the future. That is the role of the regulator. We sometimes award compensation if we feel that a business has acted wrongfully and therefore caused distress and inconvenience to their customer over and above that which naturally flows from the event.

Our service would treat all complainants fairly regardless of their hourly earnings. As I said in the provisional decision *"I'm persuaded that an extra £85 to total £125 compensation would be fair for the multiple errors that Virgin Money made and the impact that this had on Mr T."* And I'm still persuaded that this compensation is proportionate for what happened here.

In summary, Mr T's response hasn't changed my view and my final decision and reasoning remains the same as in my provisional decision. If Mr T is disappointed, I hope he understands my reasons.

Putting things right

In my provisional decision I said I intend to uphold this complaint in part. I said I intend to ask Clydesdale Bank Plc trading as Virgin Money to pay Mr T a total of £125 compensation (less anything they have already paid him) for distress and inconvenience. If they have previously sent Mr T a cheque for £40 and this has not cleared, then they may want to cancel the original and reissue another cheque (or if they have the facility to make a payment direct to an account of Mr T's choosing, then they could make a direct payment), for the total compensation of £125. I'm still satisfied this is a fair outcome for the reasons given previously.

My final decision

I uphold this complaint in part. Clydesdale Bank Plc trading as Virgin Money should pay Mr T a total of £125 compensation (less anything they have already paid him) for distress and inconvenience. If they have previously sent Mr T a cheque for £40 and this has not cleared, then they may want to cancel the original and reissue another cheque (or if they have the facility to make a payment direct to an account of Mr T's choosing, then they could make a direct payment), for the total compensation of £125.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 4 March 2024.

Gregory Sloanes
Ombudsman