

## The complaint

Mr B complains that Clydesdale Bank Plc trading as Virgin Money ('Virgin Money') has failed to fairly compensate him for the distress and inconvenience caused by the delay in transferring his Individual Savings Account ('ISA'). He says Virgin Money accepted its failings and offered him £1,500, which it subsequently said was an error and paid him £150. Mr B wants £1,500 as fair and reasonable compensation.

## What happened

While I have read and considered everything presented to me, the following is a summary of the key events explaining what has happened here.

In October 2022 Mr B opened a cash ISA with Virgin Money and at the same time he requested a transfer in from an existing ISA held with another provider. Virgin Money says it sent the request in early November 2022. And while the existing ISA provider did not send the funds, it wasn't until Mr B emailed Virgin Money in early January 2023 enquiring about the status of the transfer that it chased things up. The transfer successfully completed on 21 February 2023.

Mr B complained to Virgin Money about the delays in the transfer process and the poor customer service he received including the call wait times he experienced.

On 13 March 2023, Virgin Money issued its final response letter upholding Mr B's complaint. It acknowledged and apologised for the transfer delay and said its service wasn't good enough. It said the transfer was processed outside of the 30-day timescale and said it had backdated the interest to ensure Mr B hadn't lost out. It also said that it had processed the transfer of his funds back to the existing provider with whom he'd opened a new account, which it apologised it had incorrectly rejected when he first requested this following the delay in completing things. It also apologised to Mr B for the call wait times he experienced and said it had sent feedback to its contact centre about the poor unhelpful information he'd been given about the transfer status. It said it offered £1,500 for the distress and inconvenience caused.

Mr B accepted its offer. But when Virgin Money paid him £150, he questioned why. It said its offer of £1,500 was a mistake and it would only pay £150. Mr B then referred his complaint to us. Mr B told us that the sum of money involved was large and that it meant a lot to him. He said he was concerned about the delays, which were exacerbated by what he described as blasé responses from Virgin Money. He said he only received a meaningful update in February 2023.

He said he believed his money had been lost and he was stuck between two banks – the existing provider said it had fulfilled the transfer request and Virgin Money said they hadn't received anything. He said Virgin Money's complaint handling staff were nevertheless professional and apologetic for the failures. He said he believed the £1,500 offer reflected the anxiety and stress the failures had caused.

Virgin Money said the offer was a mistake – it should've read £150. It said it would increase

the offer to £250 for the incorrect information in its letter.

Mr B rejected the offer, so one of Investigator's looked into things. They concluded Virgin Money's offer of £250 was fair. They said while they'd listened to Mr B about what he expected by way of compensation, it was our role to determine what was fair and reasonable – not to fine or punish a business. They said they'd weighed up that Virgin Money had paid backdated interest and increased its award in response to the inconvenience caused, which they thought showed it accepted it got things wrong. They said Mr B was inconvenienced – the transfer went on for longer than it should and he shouldn't have had to chase for updates. They said, while Mr B said he was worried his money was lost, they weren't persuaded this was reasonable given he said he'd understood his money was being held in a suspense account with the existing ISA provider. They said, overall £250 was in line with the level of compensation we would award in cases like this.

Mr B disagreed. He said the level of compensation awarded needs to take into account the cumulative impact of the delay in completing the transfer, the unhelpful and misleading communications from Virgin Money and the multiple mistakes it made. Mr B said these things demonstrate that Virgin Money failed to provide a level of service to be reasonably expected from a bank. He said Virgin Money's failings caused him substantial distress and inconvenience over four months and it required many hours of his time to resolve things. Mr B provided a chronology of events and the impact he said they caused, but he said because Virgin Money had removed or deleted the online secure messages, his ability to evidence all communication was limited. Mr B said he'd referred to our website to understand the different levels of distress and inconvenience awards. He quoted from three of the levels (up to £300, up to £750 and up to £1,500) and said he believed his experience aligned with our published examples for an award of £1,500. Mr B also repeated the points he made when he brought his complaint to us as I set out earlier on. Mr B also asked here to see all of the submissions Virgin Money had provided, which our Investigator provided him with.

Because the Investigator wasn't persuaded to change their mind, the complaint was referred for a final 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.

It's clear here, and Virgin Money has accepted, that there were delays in the transfer of Mr B's ISA and that generally he received a level of service below that which he ought reasonably to have expected during the process. Virgin Money has apologised to Mr B for its mistakes and it has also made good the financial loss Mr B incurred by backdating his interest. The outstanding issue and what remains disputed here, is the amount of compensation, which fairly compensates Mr B for the distress and inconvenience this matter caused. My decision will therefore focus on this point and what Virgin Money needs to do to put things right.

Sometimes dealing with a financial business involves some inconvenience and things don't always go as smoothly as both parties would like. In this particular case, I think Virgin Money's failures have caused Mr B more than just a nuisance – I think they caused him both distress and inconvenience. I think the inconvenience he suffered was greater than he should reasonably have expected for the nature of the transaction he was asking it to perform. The evidence shows that Mr B had to chase things up to understand what was

happening with his transfer and it seems he wasn't always given helpful information. And I'm mindful that the impact of Virgin Money's actions resulted in inconvenience over a number of months. Mr B has explained the importance of the money to him, which given the amount in question and the personal circumstances he has shared, I fully appreciate. So, I also think Mr B suffered some distress as a result of what happened.

Mr B has also told us that he thought his money was lost between the two organisations. He says that he contacted Virgin Money on 21 January 2023 because he was concerned that the funds were still not showing in his new Virgin Money account 10 days after the money left his existing ISA provider's account. But on this particular point, I'm not persuaded Mr B's feelings can be attributed to Virgin Money's actions – at least not entirely or for the length of time Mr B's chronology of events suggest. I say this because, Mr B's existing ISA provider issued a cheque to Virgin Money representing his existing ISA funds. And this was dated 18 January 2023. It is not uncommon for ISA providers to fulfil transfers this way, and in doing so, it will inevitably take time for the cheque to arrive with the recipient and for it to log it on its system.

Mr B says on 25 January 2023 Virgin Money told him that it hadn't received the funds. But Virgin Money's contact log shows he was told a day later that it had received it. So, at this point Mr B understood where his funds were (albeit the crediting of his account didn't happen until February 2023 because of delays in receiving the relevant paperwork.) I don't think the period between the existing provider issuing the cheque and Mr B being told by Virgin Money that it had received it, was unreasonable. So for this reason, I don't think Virgin Money's actions reasonably led Mr B to thinking his money was lost.

So taking all of this into account, coupled with being mindful about how Virgin Money responded to its mistakes by accepting them, apologising for them, applying backdated interest and offering compensation, overall I think £250 represents fair compensation for the distress and inconvenience this matter has caused.

I can see Mr B has said he made more phone calls than Virgin Money's call log shows – for example he says he made three of four phone calls in November 2022, not one. And he's also questioned the deleting of the online secure message exchange. Mr B says Virgin Money is withholding evidence and believes it has intentionally frustrated or misled the investigation.

I've seen no evidence to support Virgin Money either withholding evidence or trying to frustrate our process. Its call log might not be complete and I accept it's possible Mr B made more phone calls as he says. But it's not disputed that Mr B had to chase things up when he shouldn't have had to – whether by phone or secure message – the information wasn't always helpful, and that he was inconvenienced as a result. So, any additional evidence, if it were available, of further contact would only serve to confirm the view I already hold. I'd add that Mr B's reference to his phone calls taking a long time to be answered by Virgin Money in November 2022 is, in my view, nothing more than an everyday frustration, so I still think £250 is fair in all the circumstances.

I can see Mr B has referred to our website and the examples shown here about the different awards for distress and inconvenience in the relevant bands and says his experience warrants an award of £1,500.

As our website says, the scenarios are just examples and the amount awarded will depend on the individual circumstances. I can see Mr B has given his reasons why he believes £1,500 is fair, but I disagree. I think Mr B's expectations of a fair award were raised when Virgin Money erroneously said it would offer him £1,500. £1,500 is a substantial award and in my view it is not warranted here. My role is not to fine or punish Virgin Money, but to

determine a fair award in all the circumstances. And having done so, for the reasons I've given above, I think £250 represents a fair award in this case.

### **Putting things right**

Virgin Money should pay Mr B £250 (in total) for the distress and inconvenience caused. If, as it has indicated, it has already paid Mr B £150, it should pay him the additional £100.

### **My final decision**

I've decided to uphold this complaint. Clydesdale Bank Plc trading as Virgin Money should put things right as set out in the section above. I make no other award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 19 March 2024.

Paul Featherstone

**Ombudsman**