

The complaint

Mr J complains that he was unable to access his accounts via online banking and about the way Clydesdale Bank plc, trading as Virgin Money, ('Virgin') handled his complaint.

What happened

On 2 August 2023 Mr J contacted Virgin's complaint team as he'd been unable to access his account digitally for two days. He said he tried to log in via their website and mobile app but kept getting error messages.

On 4 August 2023 Virgin phoned Mr J about the issue and it advised him to uninstall the app. It said it would look into things further and get back to him. Mr J's access to his online banking via mobile app returned later that day but then disappeared again a couple of days later.

On 8 August 2023 Virgin responded to the complaint. It said that it was glad Mr J had since been able to access his online services and said its tech team had advised that the messages Mr J was receiving indicated a problem outside of its control. It paid Mr J £50 compensation for the distress and inconvenience caused by the issue.

However, Mr J remained unhappy. Mr J had contacted Virgin the same day to explain he was unable to access his online banking via any means. Mr J had used different browsers to access its website and had tried changing his mobile internet settings – nothing worked. Mr J said one of the Virgin advisors told him his firewall was the reason for his difficulties but Mr J said this clearly wasn't the case given it didn't matter whether he used mobile or internet data.

Mr J also noted the sign-in button for the website directed him to a different domain run by a third party, 'E'. Mr J noted E collected data including personal information and said his internet browsing was set up to block this type of 'hidden snooping'. He suggested this might be the reason why he was having difficulties using online banking via the website.

Mr J felt Virgin needed to be more transparent with its customers about the fact they were being redirected to a different domain. He later raised a further complaint about this. Virgin initially told Mr J it had no affiliation with E and provided a lengthy explanation about the company and its lack of involvement. Mr J challenged this and Virgin later apologised, confirming that it did have a relationship with E via a subsidiary – it said this was why it hadn't immediately identified this relationship when Mr J first enquired about it. It confirmed E handles Virgin's cookie management and presented no data security risks.

On 8 September Virgin responded to the further complaint and apologised for the confusion caused by its suggestion that it had no relationship with 'E' and it offered £150 compensation for the distress and inconvenience caused.

Mr J remained unhappy, and he brought his concerns to our Service. Mr J said he felt he had no choice but to spend time on this complaint. Mr J was of the view Virgin had lied to cover up its relationship with E and felt the business arrangements it had with E

compromised privacy and security throughout each online banking session. He didn't feel Virgin had provided any explanation as to how it managed this risk.

Mr J said Virgin should pay a greater level of compensation to him given the time and inconvenience caused by the complaint and the continued risk to his privacy presented by Virgin's involvement with E. Mr J highlighted that he has spent hours researching the possible causes of his access issues and Virgin's relationship with E due to Virgin's evasive behaviour. He said he was forced to call Virgin to make two online payments when he had no access to online banking, taking him one hour. He also noted that he took a call about the complaint during the early days of a holiday.

Our Investigator looked into things and felt the £200 compensation Virgin had offered was fair in the circumstances. They said system notes indicated Mr J had successfully accessed online banking by 4 August 2023. They were also of the opinion Virgin had made a genuine mistake in relation to its involvement with 'E'.

Mr J disagreed with their opinion and asked for an Ombudsman's review, making a number of points, including:

- He'd received only £50 compensation but that the £150 hadn't been provided as he hadn't accepted this as full and final settlement of his complaint.
- Virgin still hadn't explained to him why he was unable to use online banking in early August 2023.
- Virgin only changed its stance on its involvement with E after he provided irrefutable evidence of this.
- There is a difference between accessing banking via an app and via a web browser. An email he sent Virgin on 8 August indicated he couldn't use either channel.

So, the complaint has been passed to me to decide. Mr J confirmed he was temporarily able to access banking via the mobile app around 4 August 2023 but this stopped again and it wasn't until shortly after 9 August 2023 that his online banking and mobile app issues were resolved. Mr J stressed that the changes to settings Virgin suggested hadn't resolved this for him.

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.

I'd like to begin by explaining that I don't intend to reach any findings on whether Virgin's relationship with E poses a security risk to its customers. That's because it's not our Service's role to regulate businesses or their use of data. My role is to look at whether Virgin has treated Mr J fairly in the circumstances. And whilst Mr J has explained his concerns over the contractual agreement Virgin has with E and a potential breach of GDPR, the evidence doesn't persuade me his data has been unfairly compromised in the way he alleges.

That being said if Mr J has concerns over the way his data is being used by Virgin, he can raise this separately with the Information Commissioners Office.

All parties agree Virgin has made mistakes here, specifically:

- Mr J was unable to use his online banking in early August 2023.
- Mr J was provided with advice on how to rectify the above but this didn't resolve his issue.
- Mr J was given inaccurate information about Virgin's relationship with E.

Whilst Mr J has also alleged that Virgin knowingly provided inaccurate information regarding its relationship with E to cover this up, I'm not persuaded this is the case. I've seen the email Virgin sent him and it provided a lot of information and supporting links about E and why it had no relationship with this business. So, I can fully appreciate why Virgin's change in stance here left Mr J feeling very concerned. But having reviewed the correspondence at that time, I think the Virgin representative was trying to address Mr J's concerns in detail but without full knowledge and understanding of the subject matter. I say this noting that the later letter refers to information obtained from a colleague in the Digital Operations area whereas the initial letter suggests the complaint handler has been using an online search engine to obtain information. The Virgin representative then acknowledged the error and offered an explanation as to why it had occurred - that Virgin's relationship with E was via a subsidiary. I think this explanation is plausible and whilst it doesn't excuse the provision of inaccurate information, it offers an account of how this happened. I also note that Mr J was able to identify Virgin's relationship with E via publicly available information – so I'm not persuaded it could effectively hide this connection. And for all of these reasons, I think it's more likely that a lack of knowledge and sufficient investigation caused this incorrect information rather than an attempt at deliberate deception.

Thinking about the impact of Virgin's errors on Mr J, I note that he doesn't feel that the compensation is sufficient. He's highlighted the time spent researching his access issues and Virgin's connections with E. He's also mentioned an hour on the phone with Virgin making payments and a complaint call that interrupted his holiday. It's clear Mr J feels very strongly about this complaint and that his confidence in Virgin has diminished as a consequence of these issues.

Having carefully considered the evidence, I still feel the £200 offered by Virgin is sufficient in the circumstances. I appreciate this decision will come as a disappointment to Mr J – I'll explain why I think this.

Firstly, thinking about the difficulties accessing online banking, whilst I recognise the system audit shows a log-in via the mobile app on 4 August 2023, I also have no reason to doubt Mr J's account that the problem was ongoing for around a week – particularly taking into account the email he sent to Virgin explaining this on 8 August 2023. I'm satisfied Mr J wasn't prevented from banking during this time as he told us about using telephone banking as an alternative but I do think this likely took him longer given he said he was on the phone for an hour just to make two payments. So, I think there was some inconvenience here. It's also clear that the solutions Virgin offered Mr J during this time didn't resolve his access problem and I can appreciate this must have been frustrating. And as a consequence, he spent time trying to resolve the issue by adjusting his settings and researching.

On top of this, I think Virgin caused Mr J frustration and upset when it provided inaccurate information about E. And I think Mr J then spent time looking into this relationship further – something he wouldn't have done if Virgin had explained the connection initially. So, there was also some inconvenience here too.

Taking all of this into account I agree Virgin ought to compensate Mr J for distress and inconvenience caused here. However, I think £200 is a fair offer in all the circumstances reflecting the impact of around a week of limited banking access and the distress and inconvenience caused by service failings in connection with this.

My final decision

For the reasons outlined above, my final decision is that Clydesdale Bank plc, trading as Virgin Money, should pay Mr J £200 in total, if it hasn't already, for the distress and inconvenience caused by its error.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 29 May 2024.

Jade Cunningham
Ombudsman