

## **The complaint**

Mr W complains about the administration of his Stocks and Shares ISA by Virgin Money Unit Trust Managers Ltd (Virgin Money).

He complains that Virgin Money failed to carry out his instructions to change the fund that the monthly contributions were invested in.

Mr W says as a result he has had to manually transfer the contributions to another fund resulting in a financial loss and inconvenience.

## **What happened**

In November 2022 Mr W used his online account to transfer the investments in his ISA from one fund to another. I will refer to them as Fund A and Fund B for ease of reference.

On 27 December 2022 Mr W contacted Virgin Money and requested a reduction in his monthly contribution, which was collected by direct debit, from £75 to £50.

On 29 December 2022 Virgin Money actioned his request but it took ten working days for the direct debit to be amended.

On 3 January 2023 the direct debit was collected at the original amount of £75 because the new instruction to change the amount hadn't yet taken effect.

On 5 January 2023 Mr W contacted Virgin Money to ask why his direct debit hadn't been changed to the lower amount as per his request.

On 11 January 2023 Virgin Money responded and explained that it had actioned Mr W's request. However, it said the request hadn't been put in place in time to take effect for the direct debit of 3 January. Virgin Money said the next direct debit, due on 3 February, would be claimed at the new amended amount of £50.

On 6 February 2023 Mr W contacted Virgin Money again. He said that he had switched the value of his ISA from Fund A to Fund B, but his monthly contribution was still being used to purchase units in Fund A.

On 13 February 2023 Virgin Money responded and confirmed the switch of the fund had taken place within his ISA. However, it said it needed a clear instruction to amend Mr W's direct debit. It gave Mr W a number of options as to how this could be provided.

On 7 June 2023 Mr W contacted Virgin Money and asked why his monthly contributions were still being used to buy units in Fund A, instead of Fund B as he had requested.

On 9 June 2023 Virgin Money contacted Mr W however the call was unfortunately disconnected so it ended prematurely.

On 12 June 2023 Virgin Money acknowledged Mr W's complaint.

On 16 June 2023 Virgin Money responded to Mr W's complaint. It acknowledged that Mr W had been in contact on 6 February 2023, in relation to his existing direct debit. Virgin Money said it had written to Mr W, on 13 February 2023 and had explained that it needed a clear instruction in order to process the request.

Virgin Money said it contacted Mr W by telephone on 9 June 2023, but the line had been disconnected shortly after Mr W had confirmed he had received Virgin Money's letter of 13 February 2023 and explained that he had emailed to ask that Virgin Money amend his direct debit.

Virgin Money said it had no record of the email referred to in that conversation or of any responses sent to Mr W. It said it had asked its head office to check and it had been unable to locate any emails with his request to change the fund the monthly contributions were invested in.

Virgin reiterated that an amendment to Mr W's direct debit could be requested by phone, post, fax, or secure message accessed through his online account. It said it couldn't accept any instruction by email. Virgin Money said if Mr W wanted to amend his direct debit, he should send it a clear instruction and Virgin Money would then process this.

Mr W didn't agree with Virgin Money and referred his complaint to our service. Mr W said the issue regarding the amendment he made to the *amount* of his monthly contribution had been resolved. However, he complained that he had provided clear instructions to Virgin Money to invest his monthly contributions into Fund B, but those hadn't been actioned. He noted his secure messages had been received by Virgin Money, as he had received electronic confirmation on each occasion (5th January; 6th February and 7th June).

Our investigator considered Mr W's complaint but didn't think it should be upheld. The investigator reviewed the communications between the parties. He looked at the secure messages and said he didn't think that Mr W had clearly stated that he wanted his £50 monthly contributions to go into Fund B.

The investigator also thought that Virgin Money had asked for specific information in its letter of 13 February 2023, but he concluded that on balance he didn't think Mr W had replied to that correspondence with the information required. Overall the investigator didn't think Virgin Money had acted incorrectly or treated Mr W unfairly.

Mr W didn't agree and said the investigator hadn't taken account of the paragraph in Virgin Money's letter of 13 February 2023, where it had confirmed it had acted on his instruction, because Virgin Money had confirmed the fund switch had been completed.

Mr W questioned why Virgin Money had conducted the switch if it hadn't received any instruction from him. And he said, if alternatively Virgin Money had carried out the switch as per his instruction, then why was it saying it hadn't received instructions to invest his monthly contributions into the new fund.

Mr W said the investigator's view didn't align with either of those alternatives.

Mr W reiterated that Virgin Money did receive a clear instruction from him via its secure system and it had only partially actioned his request. He also said he was unable to provide evidence of this instruction as the system didn't provide a record of the communication.

As no agreement could be reached Mr W's complaint was referred to me for review.

### **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.

#### Instruction to amend amount of monthly contribution

Mr W sent a secure message to Virgin Money on 5 January 2023 and said:

*"Last month I changed my regular payment amount to 50 GBP - which is correctly shown in my regular payment information."*

*However, the amount taken was 75 GBP - which was the old amount.*

*Can you clarify why this happened?*

*Please cancel the regular payment if the regular amount cannot be set to 50 GBP.”*

Mr W has confirmed in his complaint that the issue regarding the reduction of the amount of his monthly contribution was resolved, with the monthly contribution being reduced as requested. So, I don't intend to consider that matter further except as background to the messages that subsequently took place.

Instruction to change the fund the monthly contributions were invested in

I have carefully considered the secure messages sent by Mr W and the responses from Virgin Money.

Mr W points out that Virgin Money accepted that he instructed it to change the fund his ISA was invested in. So, he says, it has, in effect, contradicted itself by then asking him to provide further instructions in order to change the fund his *monthly contribution* was being invested in.

Virgin Money says it needed clear instructions from Mr W in order to identify the direct debit Mr W was changing and the way in which it was being changed.

I think there is a distinction here between changing the fund the ISA was invested in – so the value of what was held within Mr W's ISA at that time in Fund A - and changing the fund that the monthly contributions were being invested in. Even though the monthly contributions were being made into the ISA.

So, I don't consider it would be reasonable to expect Virgin Money to assume that because Mr W decided in November 2022, to switch the fund in his ISA to another fund, that he also wanted his ongoing monthly contributions to be invested in that fund.

It isn't unusual for account holders to be invested in more than one fund. And while it may seem logical that Mr W also wanted to change his monthly contributions to the same fund, Fund B, which was outperforming his former fund at that time, I think it is fair and reasonable for Virgin Money to require clear, express instructions as to what Mr W wanted to happen, so as to be sure it was carrying out his instructions correctly.

Mr W says he did provide clear instructions in his secure message on 6 February 2023.

In that message he said:

*“I make a monthly payment into an ISA. I transferred the value from Growth Fund 2 into the UK FTSE All-Share Fund. My monthly payments continue to be paid into Growth Fund 2 - each month I transfer the value to the All-Share fund. Can my monthly payment be automatically allocated to the UK FTSE All-Share Fund rather than having to transfer?”*

I appreciate that Mr W feels that his secure message of 6 February 2023 contained his instructions, and I note that he referred to a monthly payment and asked it to be allocated to a particular fund, Fund B. However, I also take into account that Virgin Money will be dealing with a large number of accounts. So in order to administer those accounts effectively, it will require instructions to be free of any ambiguity. Therefore while Mr W may only have one direct debit, it is more likely than not, that there are customers who have

several going into different accounts or investments.

So, I think it is reasonable for Virgin Money to ask that any request includes sufficient detail to clearly identify the direct debit it relates to, and the change that is being made to that direct debit.

I think Virgin Money made this clear in its letter of 13 February 2023. After confirming that the fund switch had taken place, Virgin Money said:

*“If you wish to invest into the Virgin UK FTSE All-Share Fund then please send us the instruction as per below:*

*We require a clear instruction to identify which Direct Debit you wish to amend. Instructions to cancel/amend a Direct Debit can be received by phone, fax, post and secure message. “*

So I think Virgin Money was putting Mr W on notice that it required something more than he had already provided.

For example, Mr W could have referenced the date and the amount of the direct debit and the account it was being collected from, to assist in identifying the correct direct debit.

In any event, Mr W accepts that he received the letter of 13 February 2023, and I consider Virgin Money made it clear there that it needed further clarification from Mr W.

I don't think it would have been too onerous therefore for Mr W to follow this up with a more detailed email or to have contacted Virgin Money to clarify exactly what it required from him. I note that contact details were provided at the end of the 13 February letter.

Virgin Money hasn't been able to locate any additional messages from Mr W other than those already referred to, and specifically no messages in response to that February letter, despite carrying out a search.

I also note Mr W has indicated, in his response to the investigator's view, that he didn't respond because of his frustration with what he describes, as Virgin Money's failure over many months to action his previous requests. He also said that he felt Virgin Money didn't want to actively resolve a simple issue.

It is of course his choice not to respond, but I think as Virgin Money was indicating it needed something further from him, it would be reasonable to expect Mr W to respond.

I have to consider what is more likely than not to have happened here, and I don't consider on balance that Mr W gave clear instructions to Virgin Money to amend his direct debit so that his monthly contributions were to be invested in a different Fund, Fund B.

Mr W has referred to giving his instructions on more than one occasion. However, Virgin Money has provided the secure messages sent in January, February and June 2023 and it has not been able to locate any other messages relating to amending the direct debit to that fund.

I have also asked Virgin Money to look for secure messages sent by Mr W in November 2022 and December 2022, and Virgin Money has indicated it doesn't have any messages from that time.

I appreciate Mr W's frustration with what he feels is missing information, but I am only able to assess the information provided in the secure messages that are available, while also having

regard to the representations Mr W has made. I have to consider what is more likely than not to have happened here and I am not persuaded on balance that clear instructions were given by Mr W so as to enable Virgin Money to identify the direct debit.

And as I have said, having been put on notice by Virgin Money's letter of 13 February 2023, that more was required of him in the way of instructions, I don't think it would have been onerous for Mr W to contact Virgin Money and ask what further information was required. I am satisfied on balance that Mr W didn't then contact Virgin Money in relation to this issue until June 2023.

### Summary

I don't consider that Virgin Money has acted incorrectly or treated Mr W unfairly here, so I won't be asking it to do anything further.

### **My final decision**

My final decision is that Mr W's complaint against Virgin Money Unit Trust Managers Ltd is not upheld.

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

Julia Chittenden  
**Ombudsman**