

The complaint

Mr G complains that Clydesdale Bank Plc T/A Virgin Money blocked his card while he was abroad, which detriment affected him when he was attempting to travel back to the UK.

What happened

Mr G holds an account with Virgin Money (VM), which he's held for many years. On 29 January 2023, he travelled abroad for a holiday. He was due to return to the UK on 4 February 2023.

Mr G said he took some cash with him to use while abroad. He also had his VM debit card with him. Mr G said he successfully used his debit card on several occasions on 30 January while abroad. But VM says this isn't possible because it had applied a fraud detection block to his debit card the previous day.

Mr G was mugged on 2 February when attempting to return to the UK. He said his belongings were stolen and the only possessions he was left with were his VM debit card, passport and mobile telephone.

Mr G said, it was on this date, that he first became aware that his card was blocked after attempting to withdraw money. By this time, he said he'd used up the cash he'd taken with him on holiday. So, he said being unable to use his debit card caused him to miss his flight as he was unable to travel to the airport. He said that, in the absence of other sources of funds, he was homeless for two days; he had no choice but to sleep outside the airport and drink water from an outside tap.

Mr G is disabled and told us that what happened significantly impacted on his health. He also stated he incurred financial loss as his replacement airfare was 150 Euros and his taxi fare to return home from the airport was £145.

On returning to the UK Mr G attended a VM branch and reported his card lost/stolen; a new card was issued to him, which he was able to use without problem. He also complained to VM about what had happened while he was abroad.

VM didn't uphold his complaint. It said it had sent him text messages on 29 January requesting that he make contact over the telephone after a suspicious and unusual pattern of spending was detected on his account. It stated a voicemail message was also left on Mr G's mobile telephone. And it said that, because there was no response from Mr G, it emailed him on 30 January 2023 to ask him to contact it to discuss his account.

VM informed Mr G it wasn't able to remove the block it had applied until it had spoken with him. And, as it said it had followed processes correctly, it didn't accept it had made an error. However, VM paid Mr G £50 as a goodwill gesture to recognise that he'd experienced trouble and upset as a result of his card being blocked.

Mr G disputed receiving any communication from VM while he was abroad. He also disputed that VM had a valid reason to apply a fraud detection block. He was unhappy with the

goodwill gesture VM had offered to resolve his complaint and asked our service to investigate what had happened.

Our investigator assessed this complaint and empathised with Mr G. They explained that VM had offered a further £150 in efforts to resolve this complaint. They thought this was fair and reasonable. They were also persuaded that VM had not made an error in applying a block to Mr G's debit card in the overall circumstances and had made reasonable efforts to communicate this to him. So, they didn't recommend upholding this complaint.

VM agreed with our investigator's view of this complaint but Mr G rejected it. So, I've been asked to decide the fairest way to resolve this complaint.

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'm aware that I've summarised the events of the complaint. I don't intend any discourtesy by this - it just reflects the informal nature of our service. I've concentrated on what I think are the key issues. I can assure Mr G and VM that I've read everything that they've provided. So, if I've not mentioned something it's not because I haven't considered it. It's just that I don't think I need to comment on it in order to reach what I think is a fair and reasonable outcome.

I'm sorry to hear about the difficulties Mr G experienced here. I can appreciate that he was caused distress and inconvenience by what happened, which was exacerbated by the fact that he was abroad and vulnerable given his disability. He was also unable to attend a VM branch to resolve what happened until returning to the UK. But, despite my natural sympathy about all of that, the issue here is whether I think VM made a mistake, or treated Mr G unfairly, such that it needs to now put things right. And, having thought carefully about everything he and VM have said, I'm afraid to say that I don't think it did when it applied a block to his account. I'll explain why.

I'll focus first on VM's decision to apply a fraud detection block to Mr G's debit card.

VM has told our service the block was applied on 29 January 2023 – the date Mr G travelled abroad. But he disputes that strongly. Mr G says he used his debit card abroad on 30 January 2023, and he has pointed to transactions on his banking records which debited his account on that date. He contends that this casts doubt on the validity of VM's submissions regarding when the block was applied.

VM has provided evidence that these transactions were made by Mr G on 29 January 2023 prior to the block being applied. They were approved with the retailer on 29 January 2023 but cleared from Mr G's account on 30 January 2023. VM said this explains why the transactions debited a day later.

VM has also shared records with our service that show the debit card was not used on 30 January 2023. There are also no approved card transactions after this point until Mr G attended a VM branch on 8 February 2023 to discuss the status of his debit card.

A new card was issued on 8 February 2023 and transactions are then approved against the new card. However, the records I've seen demonstrate that there were multiple attempts to use the previous debit card on 2 and 4 February 2023 that were declined by VM in line with the fraud detection block it had applied.

The evidence I've seen satisfies me this block was applied to Mr G's debit card on 29 January 2023. The records VM has shared with our service demonstrates that there were no transactions approved after the block was applied on 29 January 2023.

The records disclose multiple attempts to use Mr G's debit card on 29 January 2023, but these were declined by VM on the same date. This corroborates what VM has stated about the date the block was applied. Had the block been applied after the transactions showing on 30 January 2023 on Mr G's banking records, the payment requests made on 29 January 2023 would have likely been approved.

I acknowledge that Mr G is frustrated and experienced significant distress and inconvenience as a result of VM applying a fraud detection block to his debit card. But banks have a duty to have robust strategies to safeguard customer accounts from potentially fraudulent transactions and scams. Preventing fraud and protecting customers is as important for the bank as it is for its customers. To do so a bank may apply a block to a debit card as VM did here.

I've thought about whether VM acted reasonably in applying a fraud detection block to Mr G's debit card. In doing so I've considered the bank's statements VM shared with our service, which provide an indication of Mr G's typical use of his bank account and debit card. I've also had sight of detail relating to the transactions on 29 January 2023 that were declined by VM.

Based on the evidence I've seen, I'm satisfied VM had reason to suspect a suspicious and unusual pattern of spending on Mr G's account. It's clear this was out of character when compared to historic account transactions. So, I can understand why VM had cause to be vigilant and have concerns about the authenticity of transactions that were attempted.

VM has a duty to make reasonable efforts to contact an account holder to discuss the account in a timely manner after a block has been applied. I recognise that Mr G disputes any communication from VM about the status of his debit card. However, I've seen business records that show text messages were sent by VM to Mr G on 29 January 2023. There's also evidence of VM attempting to contact Mr G by telephone on the same date and leaving a voicemail as contact was unsuccessful. VM states it emailed Mr G the following day and, while he disputes that, I've seen evidence showing a read receipt was received. This satisfies me that Mr G received this email.

Given the efforts made to contact Mr G after it applied the block to his debit card, I'm satisfied he ought to have been aware of the block being applied and how to contact VM to discuss the status of his account. I'm persuaded VM made reasonable efforts to contact Mr G as our service would expect.

As VM was unable to reach Mr G over the telephone, and he didn't respond to its requests that he make contact, it wasn't able to discuss whether the transactions it had blocked were genuine. And this meant it couldn't remove the block from his debit card. This is because a security marker can't be removed until the account holder has been spoken with. As this wasn't possible, I can't say VM acted unfairly or unreasonably in maintaining the block it had applied until Mr G's attendance at a branch on 8 February 2023, which was the first contact made by him.

I appreciate Mr G is unhappy that what happened impacted on his health and led him to incur significant financial cost but as I've already explained I'm not persuaded this was due to an error made by VM. I'm satisfied VM was simply trying to safeguard Mr G's account from potential fraud.

I can see VM sought to recognise Mr G's trouble and upset by making a goodwill payment of £50. Following the referral of this complaint to our service, VM has offered to increase that payment by an additional £150. While this isn't something I'd have asked VM to do as part of this decision, I think this is a fair and reasonable outcome. I haven't seen enough evidence to persuade me that a higher award is warranted here.

I understand Mr G feels very strongly about the issues raised in his complaint and I'm not seeking to downplay the difficulties or frustrations he had here – far from it. But for the reasons already outlined, I think the revised goodwill offer VM has made is fair and reasonable. I'm not persuaded it made an error in blocking Mr G's debit card. My final decision is therefore that I am upholding this complaint in part insofar as VM should pay Mr G an additional £150 in compensation to resolve this complaint. However, it need take no further action

I realise Mr G will be disappointed with this decision. But it brings to an end what we, in trying to resolve his dispute with VM, can do for him.

Putting things right

In order to resolve this complaint, VM should pay Mr G an additional £150 in compensation for the reasons outlined.

My final decision

My final decision is that I uphold this complaint in part insofar as Clydesdale Bank Plc T/A Virgin Money should pay Mr G an additional £150 in compensation to resolve this complaint. However, it need take no further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 10 July 2024.

Julie Mitchell
Ombudsman