

The complaint

Miss E is unhappy about the service she received from Clydesdale Bank Plc trading as Virgin Money when she closed her account.

What happened

On 16 December 2023 Miss E wrote to Virgin Money asking them to close her account and send her a cheque for the balance. She had decided to invest the funds elsewhere at a better rate of interest.

She phoned Virgin Money on 20 December to check they had received her instructions. Virgin Money told Miss E they had received her letter on 18 December and the cheque should be sent out on 21 December by second class post after which it should take between 3 to 7 working days to reach her.

Miss E phoned Virgin Money again on 29 December as she still hadn't received the cheque. She was told it had been posted to her on 19 December. When she called Virgin Money on 2 January 2024, she was told the cheque had been sent out on 22 December.

In a further phone call on 3 January Virgin Money told Miss E the cheque had been sent on 19 December by second class post. As the cheque might have been lost in the post, Virgin Money agreed to cancel the cheque and send a replacement cheque by recorded delivery. It also offered to send the funds electronically which would have been quicker but Miss E said she'd prefer a cheque. She said she had to take a day off work to wait for delivery of the cheque which reached her on 5 January.

Miss E complained to Virgin Money that as a result of the delay she'd missed the opportunity to open the account she'd intended to invest in and thereby lost £1,393.68 in interest. She wanted Virgin Money to pay this and also compensate her for the additional stress they had caused her.

Virgin Money said it wasn't their fault that the cheque had been delayed in the post. It apologised for the fact Miss E had been given conflicting information about timeframes and the date the cheque had been sent out. It gave her £100 compensation.

Miss E referred her complaint to this service. Our Investigator didn't uphold it. She thought Virgin Money had done enough to put things right. As Miss E didn't agree, the matter has been referred to me.

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 sorry to hear of Miss E's health problems. I'm aware my decision will disappoint her as I am not upholding her complaint. I'll explain why.

It appears that Virgin Money sent a cheque with the closing balance on Miss E's account the

day after it received her instruction to close the account. I think this was a reasonable timeframe.

The cheque was sent by second class post. Virgin Money say this is standard practice unless the customer requests otherwise. Again I don't think that's unreasonable. I don't think Virgin Money can be held responsible for delays in the postal system.

However, having listened to the phone calls between Miss E and Virgin Money, I do think Virgin Money was at fault in not giving Miss E accurate information about the closure of her account. Instead, she was given generic information about what might be expected to happen whereas if the customer adviser had actually checked Miss E's account, they would have seen that the cheque had already been sent to her on 19 December.

Miss E says if she'd been told the actual position, she could have asked for the cheque to be stopped sooner, had another cheque issued and been in time to apply for the higher rate account.

On the one hand I can understand why Miss E thinks Virgin Money should have told her exactly when the cheque had been posted to her. On the other hand, I'm conscious Virgin Money didn't know she wanted the money for a particular reason by a certain date. So I don't think Miss E's loss was reasonably foreseeable to Virgin Money.

Overall, while I appreciate it would have been desirable if Miss E had been told sooner of the date the cheque had been posted to her, I think the sum of £100 is appropriate to compensate her for this. I don't think it would be fair or reasonable to require Virgin Money to pay the difference between the interest she lost as a result of not being able to open the higher rate account.

I appreciate that Virgin Money might have made other mistakes previously on dealing with Miss E's account, but I can't look at that as part of this complaint.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 21 May 2024.

Elizabeth Grant
Ombudsman