

The complaint

Mr L complains Clydesdale Bank Plc (“Virgin Money”) frustrated his efforts to access his investments.

What happened

Mr L held a pair of fixed-rate bonds with Virgin Money. He was due to travel abroad for a medical procedure and intended to use some of the money held in these bonds to pay for it.

Shortly in advance of the bonds maturing, whilst he was abroad, Mr L attempted to access Virgin’s website to provide maturity instructions. He was unable to do so however, as Virgin’s website permanently displayed a message which said it was “*temporarily unavailable*”.

Mr L attempted to contact Virgin by email, but quickly realised his email provider’s services were blocked in the country he found himself in. Without access to his normal email address, Mr L emailed Virgin from a different address to explain his circumstances and ask for its assistance.

Over the course of the next few weeks, emails were exchanged back and forth. Virgin checked Mr L’s identity as it didn’t recognise the address he was emailing from. And Mr L’s enquiry became a complaint, as he’d expressed a desire for the maturity proceeds to be paid to his nominated bank account, and this didn’t take place as he’d asked.

As this exchange continued, Mr L grew more anxious as he’d been intending to use the money with Virgin to pay his medical bills. The website remained inaccessible to him, and Virgin recommended he call in to discuss the matter in more detail. Mr L had attempted to do so, but struggled with Virgin’s automated menus. And in any case, he was reluctant to rely too heavily on the telephone because of his circumstances and where he was.

Eventually Mr L found other means to pay his bill. But he felt Virgin should compensate him because:

- It’d encouraged him to invest in the first place.
- It hadn’t been helpful when he emailed in to ask for assistance.
- His request to pay him the matured funds had been ignored.
- The whole situation had been stressful and upsetting for him.

Virgin responded to say:

- As a matter of policy, it blocks all access to its website in the country Mr L visited.
- Many of the issues Mr L experienced could’ve been mitigated if he’d phoned instead.
- It wasn’t persuaded it’d ever advised or otherwise encouraged Mr L to invest with it.

As Mr L was unhappy with Virgin’s response, he referred his complaint to our service.

Our investigator didn’t uphold Mr L’s complaint. They noted Mr L’s misgivings about using the telephone, and the difficulties he’d reported when using Virgin’s automated menus on the

occasion he'd tried calling. But they felt that in the circumstances it would've been reasonable to persevere and speak to someone. Broadly, they didn't feel Virgin had treated Mr L unfairly, and that it wasn't unreasonable of the firm to restrict access to its website in certain countries.

Mr L didn't accept our investigator's findings. He clarified his arguments by saying, amongst other things, that:

- He wears hearing aids that make phone calls difficult for him. He also had concerns about using the phone to share sensitive personal and financial information in the country he'd travelled to.
- He'd registered a phone number with Virgin, native to his destination of travel, quite some time ago. He felt that if Virgin restricts its services in certain countries, it ought to have proactively highlighted this to him much sooner.

As no agreement was reached, the matter's been referred to me for a decision.

I provisionally decided to uphold Mr L's complaint. My findings were as follows:

"There's no rule that requires Virgin to deliver online services that are accessible worldwide. The bank that owns the Virgin Money brand is established and regulated in the UK. And the products and services it provides its customers are broadly reflective of this. As such, I'm satisfied Virgin's within its rights to choose to restrict access to its online services in territories it doesn't intend to trade in.

I'm also satisfied that it's not unfair of Virgin to have declined to specifically highlight this to Mr L prior to his trip abroad. I accept that, prior to departure, Mr L registered a phone number with Virgin that's native to the country he travelled to. But I don't think this alone would've made what ultimately ended up happening foreseeable to Virgin. Not to the point where I'd expect the bank to have proactively contacted Mr L to discuss what services it could and couldn't offer outside of the UK. Ultimately, Mr L's residential address remained in the UK, so in my opinion, unless he'd made a point of discussing his trip and his intentions with Virgin prior to departure, I'm not persuaded the firm needed to inform him its online services weren't available at his destination.

With that being said, there came a time where Virgin was aware of Mr L's circumstances and what his intentions were. And in my opinion, this is where Virgin has failed to deliver on its obligations to communicate in a way that's clear, fair and not misleading, where Mr L's information needs were concerned.

Mr L emailed Virgin on 6 September 2023 and 9 September 2023 to explain the circumstances he'd found himself in, and to ask for its assistance with accessing the money in his bonds. Across the two emails, in my opinion, Mr L makes it abundantly clear to Virgin that:

- *He's in a country where Virgin knew it prohibited access to its online services.*
- *He's urgently seeking access to his maturing fixed rate bonds.*
- *The circumstances Mr L found himself in meant he was likely to be vulnerable.*

I think it's significant in this case that Virgin knew, as a matter of policy, it prohibits all access to its website in the country Mr L had travelled to. This wouldn't have been apparent to Mr L at the time, especially given that Virgin's website displayed a message saying it was only "temporarily unavailable". So when Virgin was in a position to respond to Mr L, as it did on

11 September 2023, I would expect it to have made this clear to him, thereby clarifying what his options were.

But Virgin failed to do so. Instead, it continued to correspond back and forth, leaving Mr L with the false impression that if his emails were shown to the right person, he'd eventually be able to access his funds. In the circumstances, knowing what it knew, I think Virgin's email of 11 September 2023 should've simply instructed Mr L that:

- Online access would be impossible in the country Mr L was in.
- If the matter was urgent, Mr L should immediately call in.
- Calling would likely be the only way of achieving his goal, even if he kept emailing in.

Had Virgin updated Mr L to this effect, in my opinion, it would've saved him the subsequent distress and inconvenience he experienced by continually emailing the firm over the next two weeks. Instead, whilst I don't doubt he'll have been disappointed, he'd have known what his realistic options were and would've been in a position to effectively mitigate the difficulties he was having much sooner.

I've considered whether, if Virgin had properly met his information needs, this would've led to a better financial outcome for Mr L. But ultimately, the evidence in this case persuades me events would still likely have unfolded in much the same way, albeit at a faster pace and without the uncertainty and frustration Virgin caused by not being clearer.

I say this because when Virgin did eventually recommend Mr L should call in, he was reluctant to do so. He'd had a poor experience previously, and given his circumstances, felt it safer not to do so. I understand and accept Mr L's reasons for not calling in. But as he declined to explain his reasons in any significant detail to Virgin, I'm not persuaded the firm was in a position to make any adjustments to its service to accommodate Mr L. Based on what it knew, I think insisting on Mr L calling in would've been the fairest thing to do.

I've also considered that whilst using the bonds to pay was certainly Mr L's preference, he was still able to find an alternative means of paying for his treatment. As such I think it's likely that had Virgin insisted upon him calling, he'd have reverted to these alternative means of payment sooner, and avoided the distress and inconvenience of continually communicating with Virgin via email.

Because of this, in these circumstances, I'm persuaded it's fair and reasonable to direct Virgin to pay Mr L the sum of £150 for the distress and inconvenience it caused by not communicating with him clearly and fairly in its email dated 11 September 2023.

In coming to my opinion here, I've also considered that:

- Virgin might feel that, as it hadn't been able to formally identify Mr L at the time of its email on 11 September 2023, it couldn't be expected to openly communicate with him. But in my opinion, nothing I'd have expected Virgin to tell Mr L in those circumstances was confidential or unique to his own accounts. It's the sort of generalised information I'd reasonably expect it to provide to anyone in those same circumstances.

Mr L is unhappy that Virgin converted his bonds to savings accounts with a poor rate of interest, rather than moving the funds to an account that paid more interest. But as per the bond's terms and conditions, this is simply how the accounts function unless different options are chosen via the maturity process. I'm not persuaded that this amounts to unfair treatment on Virgin's part".

Mr L and Virgin both accepted my findings.

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.

As both parties have accepted my findings, there's no need for me to revise or otherwise depart from them.

For the reasons given above in my provisional decision, I uphold Mr L's complaint. Virgin must now compensate him for the distress and inconvenience it caused by failing to meet his information needs.

My final decision

My final decision is that I uphold this complaint. Clydesdale Bank Plc must now pay Mr L £150 to settle his complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 28 August 2024.

Marcus Moore
Ombudsman