

The complaint

Mrs N complained that Clydesdale Bank Plc trading as Virgin Money ('VM') should pay her more compensation than it had so far offered, after it admitted poor service in relation to passbook accounts.

What happened

In March 2023, Mrs N took three old passbooks to a VM branch with a view to recovering the unclaimed balances shown. Over the next eight months or so she visited the branch numerous times to find out what was happening. There was delay when the branch lost track of her passbooks.

VM apologised, admitted it could have done more to assist Mrs N and offered her £50 in respect of the poor service provided. VM said it was upholding Mrs N's complaint about one of the accounts (I'll call this Account One). It offered to refund the last balance shown on Mrs N's passbook (£133.55) plus 8% interest up to November 2023 when the account was closed. In respect of the other account (which I'll call Account Two), Mrs N held a passbook showing a balance of more than £550 but VM said the actual balance was only a little over £100. It offered her an amount that reflected 8% interest on this lower balance calculated from July 1997 – which it worked out at around £250.

Mrs N didn't feel this went far enough to resolve things and so she brought her complaint to us and one of our investigators looked into what happened. Our investigator thought that VM had done enough to put things right and didn't uphold Mrs N's complaint, mainly saying:

- Mrs N had two passbooks for Account One (the balance from the first account had been moved to this account) and VM had supplied evidence showing that the last entry was interest in March 2000 and the balance was £133.55. That account was closed in March 2002.
- For Account Two, VM's records showed that the last update in the passbook was a payment in of £35 in July 1997 – bringing the balance to £116.89. This account was closed in September 2003.

Mrs N disagreed with our investigator, mainly saying (in brief summary):

- at the very least, given she'd made two separate complaints about two different passbook accounts, VM should pay her redress for distress and inconvenience in relation to both accounts – and £50 was an insufficient amount;
- she made numerous telephone calls and at least three or four branch visits over eight months, when she was always kept waiting for well over an hour, so redress needs to reflect her time spent;
- another family member who'd called in at the branch, to try and find out for Mrs N what was happening, had the same unsatisfactory experience;
- Mrs N was '*...led a merry dance*' and but for her persistence, and the fact she had kept photocopies of the passbooks, Mrs N doubts they would ever have been found

after the branch lost track of them.

The complaint came to me to decide. I issued a provisional decision.

What I said in my provisional decision

Here are some of the main things I said.

'VM has upheld Mrs N's complaint. So I don't need to say more about the background facts or make any findings about what's already been agreed. I'm going to focus on the question of fair redress, which seems to me to be Mrs N's main concern now and the reason she has requested an ombudsman referral.

It's my understanding that the crux of Mrs N's complaint is that VM hasn't done enough to acknowledge and reflect the damage caused by its admitted mistakes and service failings. Mrs N put things this way: *'I think I'm being insulted with this apology payment'*.

Our approach to redress is to aim to look at what's fair and reasonable in all the circumstances of a complaint. One way we would try and do this impartially here is to put Mrs N in the position she'd be in if VM hadn't been responsible for the poor service issues it has admitted.

I've thought first about financial loss. From what I've seen so far, I agree with the investigator that VM has shown that what it told Mrs N about these accounts accurately reflects what its records indicate.

Account One – VM gave Mrs N the benefit of any doubt when it didn't have supporting information to show how it had arrived at the 92p account balance shown in its records. As Mrs N was unhappy with the amount she'd received back, VM offered to pay the last balance shown in the passbook (£133.55) along with interest at the statutory rate we expect businesses to pay in these circumstances. I think that's fair and reasonable. As far as I can see, Mrs N is content with this part of VM's response. I haven't, however seen anything to show that VM has paid this redress yet. And as its earlier calculations aren't now up to date and it's fair and reasonable that VM should pay interest up until the date this complaint is settled, I plan to reflect this in my directions below.

Account Two - Whilst Mrs N believed the passbook balance was £552.46, that's the balance on an earlier page and shows the money in the account in November 1996. The last page of the passbook shows the July 1997 balance was £116.89 – with interest correctly recorded up to that point. So I currently think it's fair and reasonable that VM should repay this amount to Mrs N along with simple interest at the rate of 8% on this amount from that date – up to the date of settlement.

VM offered to reimburse Mrs N for *'...any additional financial knock-on effects'*. She has mentioned phone calls and trips into town to visit the branch.

Fair compensation also needs to properly reflect the wider impact on Mrs N of VM's service failings.

I've thought about the length of time this all took. Mrs N approached VM in March 2023 and heard back from VM with its final settlement offer the following January. Whilst she'd been given a response on one of the accounts in December 2023, all in all I think this was an unreasonable length of time to have to wait for VM to deal with these old accounts. I'd expect VM to have in place systems for locating historic or dormant accounts. Mrs N had provided passbooks, so VM had the information it needed to carry out enquiries.

Mrs N was told at one point that the passbooks couldn't be located – it seems Mrs N learned later that they were found in a cupboard at the branch. I don't know whether this discovery was linked to the fact Mrs N was able to provide VM with copies, but clearly, this wasn't the level of service she was entitled to expect. And whilst VM has agreed the service it provided on this occasion fell short of the customer experience Mrs N should have received, I don't think that £50 is sufficient redress.

VM has admitted that it could have done more to assist Mrs N in connection with her passbooks. I'm thinking that an award of £150 more fairly reflects the impact on Mrs N of VM's admitted shortcomings, especially bearing in mind that what happened resulted in frustration and annoyance for Mrs N for much longer than was reasonable. This amount is in line with the level of award the Financial Ombudsman Service would make in similar cases and I consider it is fair and reasonable here.'

What the parties said in response to my provisional decision

Mrs N said she was hoping for more compensation but wishes to conclude matters.

In brief summary, VM said:

- Under normal circumstances, in cases where an account was closed to the inactive accounts/unclaimed balances process some 20+ years ago, it would usually only pay out the money actually held.
- There was admitted delay during 2023 and VM's offer included interest going back to the closure. VM says it does not believe it should be 'expected' to make this payment.
- Mrs N rejected VM's offer when it was put forward to her, so VM says it cannot see any grounds for re-calculating this.
- Whilst VM paid additional redress of £50, the 20+ years of delay interest at 8% and honouring the payment noted in the passbook for Account one was also part of its offer to apologise for the service Mrs N received.

As I have now heard from both parties, I think it's reasonable for me to proceed with my review of 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'd like to thank both parties for all the information that has been provided about this matter and for responding to my provisional decision.

Whilst I have highlighted above what seem to me to be the main points raised, I'd like to assure both parties that I've thought carefully about everything again before coming to my final decision.

VM's main concern seems to be that, overall, it feels it has already responded more generously in respect of this complaint than it might have done in other similar circumstances. My focus is on what's fair and reasonable in the particular circumstances of Mrs N's complaint. I'd already considered all the main points mentioned when thinking about my provisional decision. I acknowledged in my provisional decision that VM gave Mrs N 'the benefit of the doubt' and offered to repay her a bigger balance than its records suggested

was held in Account one. I commented that VM had also offered to pay interest to Mrs N at the rate we would expect to see where a business agrees to refund an old balance.

Generally, we expect a business to pay interest up to the date of actual settlement as this fairly reflects the fact that the complainant hasn't had the benefit of money she was entitled to, prior to receiving it.

VM hasn't provided me with any new information that changes what I think about this case. I appreciate that VM's settlement offer reflects its view that the proposals put forward were fair overall to put things right. But I still think it's fair and reasonable to award the redress I set out in my provisional decision, for the reasons I explained more fully in my provisional decision.

Putting things right

VM should pay Mrs N as follows:

- Account One - £133.55 (the last balance in her passbook for July 2000) plus 8% interest, calculated up to the date of settlement.
- Account Two - £116.89 (as VM agreed to take this as the balance on 10 July 1997) plus 8% interest, calculated up to the date of settlement.
- £150 compensation to reflect the trouble and upset caused by VM's poor service, including the inconvenience to Mrs N of the visits to the branch and phone calls.
- VM should set out its calculations showing how the final figures have been worked out and supply a copy to Mrs N.
- VM can offset against the above any payment made to Mrs N already.

My final decision

I uphold this complaint and direct Clydesdale Bank Plc trading as Virgin Money to take the steps set out to put things right for Mrs N.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N to accept or reject my decision before 11 July 2024.

Susan Webb
Ombudsman