

## **The complaint**

Mr E complains that Clydesdale Bank Plc trading as Virgin Money failed to complete an on-line payment to an account he held at another bank. Mr E says he was told he should continue his attempts to make the payment. When he called Virgin Money about the payment not being completed, Mr E says he was transferred and had to complete security questions again before he was able to speak with the fraud team about the payment.

## **What happened**

Mr E attempted to make a payment from his current account through the Virgin Money banking app. When the payment didn't complete, Mr E contacted Virgin Money using its on-line chat function and was asked to keep trying to make the payment. When the other attempts failed Mr E called Virgin Money and was told the payment had been put on hold. The agent told Mr E he would need to speak with its fraud team to release the payment and said she would put him through without the need for him to complete security again. After connecting the call to the fraud team, Mr E was asked to complete security again, and then asked further questions about what had happened and about the payment itself. When the security checks had been completed, Virgin Money made the payment to Mr E's account with another bank the same day.

Mr E complained to Virgin Money, and it partially upheld the complaint. Virgin Money apologised that the on-line chat agent had provided incorrect guidance about the payment. Virgin Money also apologised that Mr E had to complete further security checks when his telephone call was transferred to the fraud team when he was told he would not have to, and the delay to the payment this had caused. Virgin Money offered to pay Mr E £50 to reflect the distress and inconvenience this had caused him.

Mr E brought the complaint to the Financial Ombudsman Service and one of our Investigators looked into things. Our Investigator thought the apology and offer of £50 was a fair and reasonable remedy in the circumstances of the complaint. Mr E asked that an Ombudsman decides the 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 understand that Mr E will be disappointed but taking into account all of the circumstances of this complaint I've decided that the offer Virgin Money made to resolve the complaint is a fair and reasonable one. I will therefore be asking Virgin Money to pay Mr E £50 to resolve the complaint. I will now explain why.

It's clear from the telephone calls I've listened to that Mr E was frustrated that Virgin Money didn't initially transfer his money to another of his bank accounts. Mr E strongly believes that he gave a clear instruction and approved the payment on-line using biometric security. Mr E says that Virgin Money had no right to refuse to make the payment he had attempted on-line.

It's not my role to tell Virgin Money what security checks it can carry-out on payments that a consumer requests - that is a matter for Virgin Money. The Financial Conduct Authority regulates the activities of Virgin Money and provides guidance in this regard. Virgin Money make it clear in its terms and conditions – section 3.5 - that it may refuse to act on a payment request. Virgin Money isn't obligated to tell Mr E why the payment was put on hold as to do so may compromise the security systems it has in place to protect consumers from fraud and scams. However, I would expect Virgin Money to provide a reasonable service by communicating with Mr E to explain what it required to complete the payment without undue delay and inconvenience.

Virgin Money accepts that its on-line chat agent provided Mr E with incorrect information and that Mr E should have been advised to contact its fraud team earlier than he was. Virgin Money also accepts that when Mr E called again to report that the payments were still not being made, its agent said they would attempt to transfer him to the fraud team to approve the payments. And that the agent told Mr E he may not need to complete the security process he'd already completed. Virgin Money accepts that when the transfer to the fraud team connected, Mr E was required to complete the security process again.

I've read the transcript of the on-line chat between Mr E and Virgin Money, and I've listened to the telephone calls from the same day. As Virgin Money accepts it caused Mr E distress and inconvenience when he attempted to resolve the matter of the on-line payment he'd attempted, I've considered the impact this poor service on Mr E.

Typically, we consider an apology or small monetary award will fairly compensate a one-off incident or occurrence – such as a short delay like Mr E experienced on the day. An apology is usually enough to remedy the poor service, but in this case Mr E received misleading information. The additional security process Virgin Money required to be completed ended up with Mr E being on the telephone longer than he should have been – which in turn caused him to be frustrated with the process and the time it took to release the payment. So, because of this I've decided that the apology and a small monetary award is a fair and reasonable one to resolve the complaint.

I acknowledge Mr E's strong view that Virgin Money refused to make a payment that he had requested. However, I don't think that Virgin Money refused to make the payment. The payment was highlighted by its security systems and Virgin Money wanted to ensure the payment wasn't a scam or fraudulent one. Virgin Money wasn't questioning the wisdom or risks of the payment decision Mr E made – it was taking reasonable steps to ensure Mr E hadn't made the payment under duress and that the payment wasn't a scam or a fraud.

After the initial security process was completed, Virgin Money still had to complete a fraud check on the payment Mr E had attempted. I understand that Mr E was frustrated with the questions he was asked about the payment he was making – including specific questions about the due diligence he had completed before he decided to make the payment. However, I don't think the questions Virgin Money asked Mr E were unreasonable as Virgin Money uses them to ensure all consumers are aware of the risks of making payments on-line and to satisfy its commitment to protect consumers from scams and fraud that may not be obvious to consumers. Once it had received the responses Mr E provided, Virgin Money promptly released the payment. I'm satisfied that in this regard the service Virgin Money provided to Mr E was reasonable.

### **My final decision**

Clydesdale Bank Plc trading as Virgin Money has already made an offer to pay £50 to settle the complaint and this offer is fair in all the circumstances.

So, my decision is that Clydesdale Bank Plc trading as Virgin Money should pay Mr E £50.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 18 September 2024.

Paul Lawton  
**Ombudsman**