

The complaint

Mr and Mrs S complain that Clydesdale Bank Plc trading as Virgin Money (Virgin) unfairly asked Mr S for personal financial information.

What happened

Mr and Mrs S had a joint account with Virgin.

In March and April 2024 Virgin wrote to Mr S asking for information about some activity on the account. Virgin didn't ask Mrs S for any information.

Mr and Mrs S complained to Virgin. They complained about Virgin requesting information from Mr S and also about the customer service they received in relation to the requests.

In summary Virgin said it had a legal and regulatory obligation to know its customers and so it was required to request information from customers from time to time. And this could mean requesting information from one but not both account holders where the account is jointly held by two people. Regarding customer service Virgin said it had fallen short. It apologised and said it was transferring £50 to Mr and Mrs S.

Mr and Mrs S weren't satisfied. They referred their complaint to this service.

One of our investigators looked into the complaint. She considered whether the information requests Virgin sent to Mr S had been fair. Having done so she didn't think the complaint should be upheld. She said Virgin had a legal and regulatory obligation to understand its customers' account activity and source of wealth. And it wasn't unfair for Virgin to ask Mr S for information and documentary evidence in support of this. The investigator referred to Virgin's website which set out various circumstances in which Virgin might request information from its customers.

She said it was also not unfair for Virgin to ask for information from Mr S only – without asking for information from Mrs S. That was because Virgin had the right to choose which customers it needed more information about to satisfy its legal and regulatory obligations.

Mr and Mrs S didn't agree with the investigator's view. They said that because the account was a joint account it wasn't right for Virgin to seek information from Mr S only. They said the account had been open for many years so Virgin should know enough about Mr and Mrs S by now. And even if Mr S was the person depositing funds into the account, the funds were joint funds, so Virgin should ask both account holders about the funds.

Because no agreement could be reached, the complaint was passed to me to review afresh and make a decision.

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.

Having done so, I'm not upholding the complaint. I'll explain why.

I'm satisfied Virgin had fair reasons for asking Mr S for information about his personal financial circumstances and activity on the account he held jointly with Mrs S.

Banks are under strict legal and regulatory obligations to know about their customers and the way their customers are using their accounts. Banks must follow those obligations without unduly inconveniencing their customers. In this case I'm satisfied Virgin was pursuing its legal and regulatory obligations in a fair way. And I can't reasonably say Virgin was acting unfairly or unreasonably in asking for information from Mr S in the way it did.

The fact Mr and Mrs S had held their account for a long time doesn't mean Virgin didn't need to ask for information about their circumstances and activities. It's usual for banks to want to update information they hold about their customers from time to time. And a review of information held can be triggered by a range of different events.

I understand Mr and Mrs S feel that any questions about their account should've been directed to both of them because they're both the account holders. But there's no requirement for Virgin to do that. And I can't say it's unfair for Virgin not to do that. It's for Virgin to decide what information it needs, and from whom. It's not fair to expect Virgin to ask for information it considers unnecessary. If, upon receiving information from Mr S, Virgin decided it also needed to ask questions of Mrs S then it would be open for Virgin to do so.

Overall, I'm sorry to know Mr and Mrs S have been upset by the requests for information that were sent to Mr S. But I can't conclude that Virgin has treated them unfairly. So I won't be asking Virgin to do anything.

My final decision

For the reasons I've set out above, my final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 12 November 2024.

Lucinda Puls
Ombudsman