

The complaint

Mr H complains about a credit card block applied by Clydesdale Bank Plc trading as Virgin Money.

What happened

The background to this complaint and my initial conclusions were set out in my provisional decision. I said:

Mr H has told us that he moved to the UK in 2014 and opened a current account with associated overdraft facility, savings account and credit card with Virgin Money. Mr H used the Virgin Money accounts until he and his family left the UK in 2019. Mr H has told us he updated his address via Virgin Money to his home in Australia. Mr H says Virgin Money issued bank and savings account statements by post to him at the new address but he never received credit card statements. Mr H has also told us his credit cards were still in date at that time.

Mr H says that in 2022 he decided to book a European cruise and used his Virgin Money credit card to pay the £80 deposit. Mr H's explained he wanted to transfer funds from his Virgin Money current account, which was still active, to his credit card but wasn't able to find it on the app.

Mr H says that when he tried to speak with Virgin Money in January 2023 it was unable to complete the security verification questions. Mr H says Virgin Money refused to say why he'd failed the security questions and that the answers he gave were correct. Mr H has told us he believes Virgin Money had his old address in the UK still on file for his credit card account.

Mr H spoke with Virgin Money's fraud team who advised the credit card was locked as he'd failed security. Virgin Money asked Mr H to provide identification and that the balance would be frozen to allow time to unlock the account.

Mr H says he sent the required information to Virgin Money in February 2023 but didn't hear back until 24 May 2023 with another request for copies of his documents was made. Mr H says he complied with Virgin Money's requests but no response was ever received.

In February 2024 Mr H contacted Virgin Money again and was advised he still hadn't verified his identity. Virgin Money asked Mr H to submit identity documents to it.

Mr H went on to raise a complaint and explained he'd already sent Virgin Money identity documents requested on two occasions. Mr H has explained he wants to be able to access his credit card and has pointed out he's an existing customer with several accounts held at Virgin Money.

Virgin Money issued a final response on 29 February 2024. Virgin Money apologised for the service provided and explained restrictions remained on Mr H's credit card. Virgin Money said that once it had received Mr H's documents, it would be able to discuss his credit card

with him. Virgin Money also gave Mr H the phone number for its fraud team to obtain further support.

An investigator at this service looked at Mr H's complaint. They weren't persuaded that Virgin Money had acted unfairly or made a mistake by applying restrictions to Mr H's credit card. The investigator said that Virgin Money had confirmed Mr H's documents were on file and that it needed to speak with him before the account block was removed. But because Mr H had changed his mobile phone number after leaving the UK, the number Virgin Money had on file no longer matched. The investigator thought Virgin Money's request for him to call its fraud team to remove the block was reasonable.

Mr H asked to appeal and said he still had access to his other Virgin Money accounts so found it difficult to understand why it was insisting on verifying him for the credit card block. Mr H added he'd already sent two sets of identification documents to Virgin Money and the block remained in place. As Mr H asked to appeal, his complaint has been passed to me to make a decision.

I recently contacted Virgin Money and asked it to confirm the current situation in respect of Mr H's credit card. Virgin Money confirmed it received acceptable documents from Mr H last year and that he doesn't need to provide any more. Virgin Money advised it still needs to speak with Mr H to remove the account block from his credit card and has confirmed he can call its fraud team. Virgin Money also highlighted the fact Mr H's phone number changed but that he didn't update it with the new one. As a result, Virgin Money's been unable to call Mr H directly as it normally would because his phone number isn't recorded on his profile.

What I've provisionally 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 know Mr H is concerned that his address wasn't updated to show his Australian property. But I've looked at the credit card statements and supporting systems information provided by Virgin Money and can confirm Mr H's address matches the details he's provided this service. So it doesn't appear the address recorded on the credit card was the main issue with Mr H's account.

I've looked at Virgin Money's contact notes from 31 January 2023 and they confirm Mr H failed the security questions it asked. I appreciate Mr H may want a more detailed explanation, including details of the questions that weren't answered correctly. But I'm sure Mr H will understand that information of that nature is commercially sensitive. And I'm satisfied that if Mr H had correctly answered all the security questions Virgin Money asked it would've moved on to discuss his credit card rather than blocking it. Overall, I'm satisfied Virgin Money had reasonable grounds to apply an account block to Mr H's credit card.

Virgin Money has confirmed Mr H complied with the documentation request in March 2023. Virgin Money says it then sent Mr H an email asking him to call but it didn't hear from him again until he contacted it again a few months later. Mr H resubmitted identification documents that were received by Virgin Money for a second time. Virgin Money's advised that no action was taken with those documents as Mr H needed to call it to answer some questions before the block could be removed. So at this point, Mr H appears to have been waiting for Virgin Money to contact him. And Virgin Money was waiting for Mr H to call it.

As both parties were waiting for the other to make contact, nothing happened with Mr H's account until early 2024. At that point, Mr H contacted Virgin Money again and ultimately went on to raise a complaint. As I've already said, Virgin Money's confirmed Mr H had

already provided acceptable documentation during March and July 2023 so I can understand why he was so frustrated that its 29 February 2024 final response requested another set of documents. I can see that Virgin Money has since confirmed it only needs to speak with Mr H to complete the process of removing the block, but I'm satisfied the information included in its final response caused Mr H an unreasonable amount of trouble and upset.

Ultimately, the position remains that Mr H needs to speak with Virgin Money's fraud team to arrange for the credit card block to be removed. Virgin Money's offered to cover Mr H's call costs as he's phoning from abroad and I'm satisfied that's reasonable. Mr H has asked for Virgin Money to call him. But even accepting the time difference, I think it's more straight forward for Mr H to call Virgin Money's fraud team on the number he was given in the final response. Virgin Money has confirmed that once Mr H calls and it's able to confirm his identity, it should be in a position to remove the credit card block and I'm satisfied that's reasonable. Mr H is welcome to attempt the call in the two week period provided to respond to this provisional decision and update us.

In my view, Virgin Money should've been more proactive in terms of the contact it had with Mr H after the account block was put in place. Virgin Money says it sent Mr H an email in March 2023 requesting a call but got no response. But no email or letter of that nature was sent after Mr H sent the next set of documents in July 2023. In my view, Virgin Money should've gone further and specifically contacted Mr H to request a call following receipt of his documents in July 2023. I'm satisfied that by failing to do so, Virgin Money has caused Mr H some unnecessary inconvenience. So I intend to award £150 in recognition of the trouble and upset caused to Mr H.

I invited both parties to respond with any additional information they wanted me to consider before I made my final decision. Virgin Money responded to confirm it accepted the provisional decision.

Mr H responded and said he didn't understand the security failure given Virgin Money has his correct address recorded for his credit card. Mr H added he is willing to call Virgin Money but the number he's been given is generic and for a call centre. Mr H asked if Virgin Money could either provide a specific number and person for him to call or arrange to call him at a convenient time.

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 Mr H would like the name and number of a specific person and doesn't want to call the standard customer services number. When Virgin Money issued its final response on 29 February 2024, it provided the number to call for its fraud team. The number has been included in the cover email for this decision for Mr H's convenience. That means Mr H should be able to call the specific team he needs to speak to in order to regain access to his account. I know Mr H would like to call a specific person, but Virgin Money's fraud team should be able to assist him in completing the process of removing account restrictions.

I also think it's reasonable to note that Virgin Money will need to cover Mr H's call costs. So even though he's calling from abroad, Mr H won't suffer a financial loss by calling Virgin Money.

I remain of the view that it's not unreasonably inconvenient for Mr H to call Virgin Money's fraud team. I've considered the settlement I reached in the provisional decision and still think it's a fair way to resolve Mr H's complaint. So I'm going to proceed in line with my provisional

decision and uphold Mr H's complaint.

My final decision

My decision is that I uphold Mr H's complaint and direct Clydesdale Bank Plc trading as Virgin Money to settle as follows:

- On receipt of evidence, compensate Mr H for call costs he incurs when telephoning to remove the credit card block
- Pay Mr H £150 for the distress and inconvenience caused

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 8 November 2024.

Marco Manente
Ombudsman