

The complaint

Mr M complains Clydesdale Bank Plc trading as Virgin Money ("Virgin") blocked his card and has made mistakes in sending him a replacement card and PIN.

What happened

Mr M is unhappy as Virgin blocked the debit card on his account. He says he had to contact Virgin to get the block removed and, as the replacement card didn't arrive in time, this meant he had to make the intended purchases on a different card, using a different currency, which cost him more. So, he lost out. He was also unhappy at the amount of time it's taken for Virgin to send him a new debit card after finding his existing card was compromised. And with the confusion and delays in getting a PIN number for the card.

In the first instance Virgin didn't uphold Mr M's complaint. In its first Final Response Letter ("FRL") of 11 March 2024 it told Mr M its fraud systems were in place to safeguard his account and stop his money being lost to fraudsters. And as banks can't always predict if a payment is genuine or not, where there was doubt, it would be necessary for a customer to speak to the fraud team. Virgin were also satisfied the fraud team had attempted to contact Mr M at the time the block was applied. Mr M remained unhappy as by April 2024 he hadn't received his replacement card. In a second FRL on 11 April 2024, Virgin accepted it had made a mistake not sending the card in March 2024 and apologised. It said the card had now been sent in April 2024 and the service he'd received on this point wasn't acceptable. It offered him £75 compensation for this mistake. Mr M wasn't happy with this response and referred the matter to us.

Whilst our investigator was looking into this complaint Virgin reviewed the case. Although it remained of the view that it had done nothing wrong in originally blocking the transaction Virgin increased the offer of compensation for the replacement card delay, from £75 to £150. After reviewing what Mr M and Virgin had sent her, our investigator thought this was a fair offer. She appreciated although the bank checks and block were frustrating for Mr M, it was normal practise within the banking system to prevent fraud and a bank didn't have to notify customers it was doing such checks as it may jeopardise an investigation. She understood being without the card for two months caused difficulties but thought the increased offer of £150 took into consideration the upset and inconvenience caused.

Mr M didn't agree and asked for an ombudsman to review the matter. He said he was still unable to access anything and was out of pocket so didn't accept Virgin's offer. He said the PIN had only arrived on 18 June 2024 and despite trying to use it to transfer money from this account to one whilst he was using overseas he was unable to as there was still an issue with the card. In summary he said it had been three months since he'd been able to use the card and still couldn't do so. He was also unhappy with the information Virgin had given about an expired card on the account of a family member and the steps needed to convert that from a child's account to an adult one and the process involved.

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.

At the outset I want to reiterate what our investigator told Mr M. We can only look at the complaint that's been raised that the business about this account that it's had an opportunity to respond to. So, although I he's recently told us one of the reasons he remains unhappy is family members who hold accounts with Virgin await replacement cards, that's not something I can look not here.

I'm looking at whether Virgin Money did anything wrong when they blocked his card originally and when actioning a replacement after telling Mr M the card had been compromised. Having reviewed all the evidence here, I don't think it did, so I'm not upholding that part of the complaint. And in respect of the mistake Virgin accept - namely delaying the replacement card - I think it has already responded reasonably. I'll explain my reasons for this.

It seems to me Mr M isn't complaining about the card block itself, rather what he considers to be a lack of communication about the cancellation. Mr M told us he understands banks have to be extra vigilant and would be upset if they were not. Banks and building societies have an obligation to try and keep their customers' accounts safe and prevent them from being victims of fraud and scams. Sometimes they identify and block legitimate payments due to security concerns. This can cause distress and inconvenience to a customer - but it doesn't necessarily mean they have acted incorrectly.

For the avoidance of any doubt, I don't find it unreasonable for Virgin to have security controls in place to manage their obligations and to fulfil their duties to their customers to ensure each payment made is genuinely made by their customers themselves and they are not being coerced or scammed into making payments. And I'm satisfied it's acted in line with its procedures here in trying to protect Mr M's account.

Mr M points out that as the bank cancelled his card it was responsible for getting in touch with him. I agree. And the information before me satisfies me Virgin did so and acted reasonably here. The records show Virgin contacted Mr M on the day of the attempted transaction. The notes record it wasn't possible to leave a voicemail and an SMS and letter were sent. At that point it was also noted the card as compromised and to replace it. Mr M contacted the bank the following day to confirm the transaction was genuine and to remove the block. So, I'm satisfied Virgin have acted promptly and in line with their obligations here.

Virgin now accept a replacement wasn't actioned at that time - March 2024 - but was later in April 2024 when Mr M contacted them again. What's less clear is the position with the PIN. Mr M says he's waited some time for a new PIN to come through. But there's no record of that being discussed on the notes and Virgin say a new PIN wouldn't be required for a replacement card. In any event I can see Virgin processed the issuing of a PIN on this account on four occasions in May 2024 after the card was sent out. The last on was on 20 May 2024. Mr M told us he got the card on 18 June 2024. Virgin is a bank based in the UK and has no control over the postal service here or overseas. Given the distance the card had to travel in the postal service, I think the time it took to arrive isn't unusual. Although I understand it's frustrating for Mr M. I don't know why the transfer Mr M attempted on 19 June 2024 to his overseas bank failed but there's nothing to suggests its due to the replacement debit card and PIN he now has.

The initial delay in sending a replacement card has undoubtedly caused Mr M inconvenience. Our compensation guidelines state an award between £100 and £300 might be fair where there have been repeated small errors, or a larger single mistake, requiring a reasonable effort to sort out. These errors typically result in an impact that lasts a few days, or even weeks, and cause either some distress, inconvenience, disappointment, or loss of

expectation. I think the award offered by Virgin of £150 is in that range and is the sort of award I'd have made had it not already been suggested here. So, I'm not going to ask Virgin to do anything further.

I understand Mr M feels strongly about what's happened. But, for the reasons I've explained, I'm not going to uphold this complaint about the initial block. I think for the admitted delay in sending the replacement card the £150 compensation is reasonable so I don't require Virgin to do anything further.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 24 February 2025.

Annabel O'Sullivan
Ombudsman