

The complaint

Mr L complains Clydesdale Bank Plc, trading as Virgin Money, closed his account without telling him why. Mr L doesn't think he has breached any terms and conditions, so wants to know why his account was closed.

To keep things simple, I will refer to "Virgin Money" in my decision. To put things right, Mr L wants Virgin Money to reopen his account.

What happened

The details of this complaint are well known by both parties, so I won't repeat them again here in detail. Instead, I'll focus on setting out some of the key facts and on giving my reasons for my decision.

In July 2024, Virgin Money notified Mr L that it had decided to close his account in two months' time and that this is in line with its terms and conditions. Unhappy, Mr L complained. Virgin Money didn't uphold Mr L's complaint. In short, it said it had not done anything wrong. Virgin Money also said that it recommends Mr L check his credit file.

Mr L referred his complaint to this service. One of our Investigator's looked into it, and they didn't recommend it was upheld. Mr L didn't agree with what our Investigator said.

As there was no agreement, this complaint has been passed to me to decide.

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 have decided not to uphold this complaint. I'll explain why.

Banks in the UK, like Virgin Money, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means banks need to restrict, or in some cases go as far as closing, customers' accounts.

Virgin Money is entitled to close an account just as a customer may close an account with it. But before Virgin Money closes an account, it must do so in a way, which complies with the terms and conditions of the account.

The terms and conditions of the account, which Virgin Money and Mr L had to comply with, say that it could close the account by giving him at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

Virgin Money gave Mr L two months' notice. Virgin Money has also explained and provided me with information which I'm satisfied shows it acted fairly, and in line with the terms and conditions of the account when closing the account in this way.

I know Mr L would like a detailed explanation. But Virgin Money is under no obligation to do so. I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Virgin Money has provided is information that we considered should be kept confidential.

As I don't think Virgin Money has done anything wrong, I see no basis to ask it to reopen the account or pay any compensation to Mr L for any distress or inconvenience he may have suffered.

My final decision

For the reasons above, I have decided to not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 17 January 2025.

Ketan Nagla
Ombudsman