

The complaint

Mrs P complains that Clydesdale Bank plc trading as Virgin Money haven't assisted her to access her account following the loss of her credit card and phone. She's also unhappy that the card hasn't been blocked.

What happened

Mrs P holds a credit card with Virgin Money.

On 13 March 2024 Mrs P contacted Virgin Money to advise that her card and phone had been lost on 9 March 2024. Mrs P requested to cancel the card. She also explained that due to no longer having the app or a phone to receive a verification code, she was unable to access her account.

During the call, Mrs P was unable to answer the security questions correctly. Virgin Money said it wasn't able to discuss the account, or arrange for the card to be blocked, or send out a replacement card, until the identification and verification process had been successfully completed.

Mrs P's monthly statement was produced on 8 March 2024 with a minimum payment of £76.02 due by 28 March 2024 to be collected by direct debit. Virgin Money received a request from Mrs P's bank to remove her direct debit instruction as the direct debit had been cancelled. Virgin Money removed the direct debit on 18 March 2024 and sent a letter to Mrs P confirming this.

Virgin Money sent Mrs P a SMS reminder on 22 March 2024 confirming that her payment was due. It sent further messages on 28 March and 31 March. As no payment was received, a £12 late payment fee was applied to the account.

Mrs P's next monthly statement was produced on 8 April 2024. This confirmed that the account was in arrears by £76.02 and required a minimum payment of £94.21 by 28 April 2024.

Mrs P called Virgin Money on 16 April and 24 April but was again unable to answer the security questions correctly. Because of this the agent wasn't able to discuss the account with Mrs P.

On 1 May 2024 Virgin Money sent copies of recent statements to Mrs P to assist her with answering the security questions. It also arranged for the security team to call Mrs P on 2 May 2024 but there was no answer, so they sent an email asking Mrs P to get in touch, but heard nothing back.

Mrs P complained to Virgin Money. She was unhappy that her account hadn't been blocked and that a replacement card hadn't been sent out.

Virgin Money didn't uphold the complaint. In its final response dated 9 May 2024 it said it couldn't discuss the account or take any action in relation to the account until Mrs P

answered the security questions correctly. It also said that the account couldn't be closed or cancelled until the balance was zero.

Mrs P remained unhappy and brought her complaint to this service.

Our investigator didn't uphold the complaint. He said that Virgin Money's verification process was in place to protect Mrs P's account and there was no evidence that Virgin Money had made an error.

Mrs P didn't agree. She said she understood that there had to be a verification process but said she wasn't able to pass it because she'd lost the card and phone app and couldn't provide details of her last transaction. Mrs P said she'd given details of a transaction on the account that she could remember but had been told that this wasn't an answer to the question about the last transaction and therefore wasn't acceptable. Mrs P said she hadn't been offered any other way to access her account and report the card as lost. She said she'd written to the bank and explained that she wouldn't be making any payments as the card wasn't in her possession. Mrs P said she'd made lots of calls to Virgin Money to try and resolve this.

Because Mrs P didn't agree I've been asked to review 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 know that it will disappoint Mrs P but I agree with the investigators opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on those points which are most relevant to my decision. If I don't comment on a specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

I appreciate that Mrs P has contacted Virgin Money several times about her lost card, This isn't in dispute. However, I can see that on each occasion that Mrs P has contacted Virgin Money, she's been unable to pass the security questions. Because of this, Virgin Money has refused to discuss the account with her.

I've thought about whether Virgin Money has done anything wrong here or treated Mrs P unfairly.

Virgin Money – like all lenders - has an identification and verification process in place in order to keep customers account details safe. The security questions which are asked as part of this process are based on information provided by the customer on application. There may also be questions about recent account activity.

Virgin Money has acted in line with its verification process each time Mrs P has contacted it. I'm unable to say that Virgin Money has made an error here. It hasn't done anything wrong by asking Mrs P to answer the security questions.

Mrs P has said that she wasn't able to answer the question about her most recent transaction. I'd expect Mrs P to be aware of the last time she used her card before it was lost. But even if this isn't the case, I can see that Virgin Money has tried to help Mrs P by sending her recent statements so that she can view the most recent transactions.

I appreciate that Mrs P isn't happy that her card hasn't been blocked and that she hasn't been sent a replacement card. However, this can't be done unless Mrs P passes security. I can see that Virgin Money placed a temporary block on the card and confirmed this in its final response. It asked Mrs P to call the security team to discuss providing identification documents to verify her identity so that she could be given access to her account. I can't see that Mrs P has done this.

Taking all the available information into account, I'm unable to say that Virgin Money has made an error. It has acted in line with its processes by requiring Mrs P to answer the security and verification questions. It has also acted fairly by placing a temporary block on the card and providing Mrs P with copy statements to assist her with the question about her last transaction. For these reasons I'm unable to uphold the complaint.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 9 April 2025.

Emma Davy
Ombudsman