

## **The complaint**

Mr and Mrs T complain that Clydesdale Bank Plc trading as Virgin Money (Virgin Money) unfairly closed their account and withheld their account balance.

Mr and Mrs T are also unhappy with how Virgin Money handled their personal information and the service they received from Virgin Money.

## **What happened**

Mr and Mrs T had three saving accounts with Virgin Money. Two of the accounts were in joint names and one in Mr T's sole name.

Mr and Mrs T have explained that since 2020 they have been involved in a high-profile public enquiry that has impacted their health and wellbeing. Mr and Mrs T made Virgin Money aware of this and how it had impacted them over the years.

In June 2024, Virgin Money reviewed Mr and Mrs T's accounts as part of its Know your Customer (KYC) process. As part of its review on 5 June 2023, Virgin Money wrote to Mr and Mrs T asking them to get in touch so that they could review their account and update their personal information with the bank.

Mr and Mrs T didn't respond. So, on 10 July 2023, Virgin Money sent Mr and Mrs T another letter asking them to get in touch. The letter also said that if Mr and Mrs T didn't get in touch within 14 days the bank would be asking them to make alternative banking arrangements. Mr and Mrs T didn't get in contact. So, on 2 August 2023, Virgin Money took the decision to close Mrs and Mrs T's three accounts and sent Mr and Mrs T cheques for their closing balances.

Mr and Mrs T say they never received all the letters Virgin sent them about closing their accounts and only received the letter about closing one of their joint accounts in October 2023. They say Virgin Money also wrote to Mrs T about Mr T's sole account, which they say amounts to a breach of Mr T's privacy. Mr T and Mrs T say that Virgin Money have all their contact telephone numbers and emails addresses, so they should have made more of an effort to follow up their letters given the significant impact having accounts closed can have and their circumstances, which they'd gone to great lengths to make sure Virgin Money knew about.

Mr T says he tried to make an appointment with a branch to discuss the accounts being closed in an effort to keep the remaining accounts open. However, Virgin Money went ahead and closed the accounts. And issued Mr and Mrs T cheques for their closing balances. Following this Mr T contacted Virgin Money to try and find out what was happening and why the accounts had been closed but his calls were disconnected.

Due to Mr and Mrs T not having any other joint accounts, they weren't able to deposit the closing balance cheques. So, Mr and Mrs T told Virgin Money that they intended to attend a branch and withdraw their account balances in cash. Virgin Money refused Mr and Mrs T's

request to withdraw their funds in branch and maintained the funds were to be paid in cheques and said that Mr and Mrs T would have to open another joint bank account.

Mr and Mrs T complained to Virgin Money in October 2023. In response, Virgin Money issued its final response letter on 15 December 2023. The final response explained that Mr T could refer the complaint to the Financial Ombudsman Service if he wasn't happy with Virgin Money's response to his complaint. And that he had six months to refer his complaint to us.

In its final response letter Virgin Money said it hadn't done anything wrong when it had closed Mr and Mrs T accounts. However, it accepted that the service it had provided to Mr and Mrs T had fallen short – it said it hadn't received Mr T's request for a branch appointment and his calls were disconnected. So, it said its service had fallen below the standard Mr and Mrs T could expect. To put things right Virgin Money offered Mr and Mrs T £150 compensation for the trouble and upset this had caused them.

Mr and Mrs T weren't happy with this response and wrote to Virgin Money on 14 June 2024, 16 July 2024, 25 July 2024, asking for their closing balances to be released and paid into other accounts they had because they couldn't cash cheques.

In response, on 9 August 2024, Virgin Money said it hadn't done anything wrong when it had issued cheques in October 2023 for Mr and Mrs T's closing account balances. And said that they would need to open a joint account to cash them. Virgin Money also referred to its final response letter that it had issued in December 2023 and said its position hadn't changed. Mr and Mrs T referred their complaint to us on 15 August 2024.

Our investigator didn't think we had the power to consider Mr and Mrs T's complaint about their accounts being closed because it wasn't referred to us within six months of Virgin Money's final response letter. However, she said we could consider Mr and Mrs T's complaints about how Virgin Money dealt with Mr and Mrs T's closing balances and the privacy breach. The investigator also asked Virgin Money to tell us what it thought about these points. And asked Virgin Money to release Mr and Mrs T account balances by paying it into other accounts.

In response, Virgin Money accepted it had made a mistake when it sent a letter to Mrs T regarding Mr T's sole account and offered to pay £50 compensation for any upset this had caused. Virgin Money also agreed to transfer the account balances.

The investigator reviewed everything again. In summary she said:

- Our service couldn't look at Mr and Mrs T's complaint about Virgin Money closing their accounts as it had been brought to us more than six months after Virgin Money had issued their final response letter.
- Virgin Money should Pay Mr and Mrs T £150 in compensation for the distress and inconvenience caused, due to them being deprived of their full funds.
- Virgin Money should apply 8% simple interest to the funds from the date the accounts were closed to the date the funds were returned to them, on 18 November 2024.
- Pay Mr and Mrs T the £50 compensation offered for sending a letter addressed to both parties in error.

Virgin Money agreed. Mr T disagreed. He said he hadn't called to make a complaint to Virgin Money in October 2023 – the call had been about safeguarding him and Mrs T. And to explain how the bank's actions were impacting them as vulnerable customers. He said he

didn't make a complaint, and Virgin Money took it upon themselves to record it as a complaint at the time which has disadvantaged them.

Mr T said that he and Mrs T were dealing with exceptional and challenging circumstances which meant their attention had been focussed elsewhere and not on their complaint with Virgin Money. Mr T has explained that he and Mrs T have had their own serious health issues, and in 2023 had to care for sick relatives and then cope with three bereavements.

Mr T also explained that throughout all of this he and Mrs T had to deal with litigation and give evidence at a public enquiry. So, he said he should be allowed to bring his complaint to us about the closure of his accounts. Mr T also said the amount of compensation offered doesn't adequately reflect the amount of trouble and upset he and Mrs T have suffered – especially given all that they have been through over the years.

As no agreement could be reached M's complaint has come 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.

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focused on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. But I have read all Mr T's submissions.

I'm also very sorry to hear of the difficulties Mr and Mrs T have had to go through. I thank him for being so candid and detailed in explaining all that has happened to him and Mrs T over recent years. Having read Mr T's submissions I'd like to offer my sympathies to Mr and Mrs T and extend to them my sincere best wishes for the future.

#### *The closure of Mr and Mrs T's accounts*

The rules that apply to the ombudsman service set some time limits. One of those is that the complaint must be referred to the ombudsman service within six months of the date of the final response from the financial business.

Virgin Money hasn't consented to us considering Mr and Mrs T's complaint about their accounts being closed because it was referred to us more than six months after the date of its final response letter.

There's no doubt that Mr and Mrs T failed to do that – Virgin Money's final response letter was dated 15 December 2023. The letter informed Mr T that if he wasn't happy with the outcome of his complaint, he could refer it to us within six months of the date of the letter. So, Mr T had until 15 June 2024 to refer his complaint to us. He didn't do this until 15 August 2024. So, the complaint was referred out of time under the rules that I must apply. However, I'm permitted to investigate complaints made outside the usual time limits where I'm satisfied the failure to comply with the time limits was a result of exceptional circumstances.

I've considered all of Mr T's submissions regarding why his complaint wasn't referred in time. Mr T has said that he didn't make a complaint to Virgin Money when he called them in October 2023. And Virgin Money were wrong to record it as such. So, in other words it wasn't fair that this call started the clock ticking on the time Mr T had to bring his complaint to us.

Mr and Mrs T have told us that when they called Virgin Money in October 2023, this was a safeguarding call they were making – they wanted to tell Virgin Money how their actions were impacting them. But Virgin Money wrongly classified this as a complaint.

I'm afraid I don't agree. Having listened to the call, I can hear that the advisor told Mr T that he had raised a lot of issues and as the advisor wasn't able to resolve these over the phone, they would raise a complaint on his behalf. I don't think this is an unreasonable thing to do as Mr T clearly told Virgin Money he was very unhappy with their actions and decisions.

Mr T confirmed that if Virgin Money were raising a complaint, then he'd like to explain what issues he wanted them to look into. The advisor also explained the complaint process and what would happen next, which Mr T confirmed. So, whilst I appreciate Mr and Mrs T may have been calling Virgin Money to try and resolve the issues over the phone, I think it's clear from the call that Mr T was aware that the advisor was raising a complaint on his behalf and agreed to this.

Mr T has also told us that he was coping with very serious health issues that impacted his ability to respond and deal with matters involving financial issues. Mr T has told us that Mrs T was also unwell, and that they were caring for very unwell relatives who sadly passed away. In the background to everything Mr and Mrs T were trying to cope with in their family life, they were also embroiled in a high-profile litigation case. So overall, things have been difficult for them.

I can imagine that this must have been quite an anxious and stressful time for Mr and Mrs T – clearly their focus was on their family, health and the litigation. So, I can understand that their minds wouldn't have therefore been focussed on their complaint against Virgin Money. I'm very sorry to hear that Mr and Mrs T have been struggling with things and that they have been under a great deal of pressure. But these aren't reasons that would lead me to conclude that there are exceptional circumstances under which I can consider their complaint about the closure of their accounts.

Whilst I appreciate Mr T was dealing with a number of issues at the same time, he was still aware he'd made a complaint to Virgin Money. This service would have been able to progress his complaint had he come to us in time. Based on the evidence, I've looked at, I'm satisfied that Virgin Money sent its final response to Mr and Mrs T and that it was clear they had six months to contact this service if they wished to complain. Mr T didn't do this until 15 August 2024, so the complaint about the closure of their accounts was referred out of time under the rules I must apply.

#### *The return of Mr and Mrs T account balances*

After Virgin Money closed Mr and Mrs T's accounts they sent them cheques for the closing balances. Mr and Mrs T didn't have another joint account to deposit the cheques. So, in an effort to get their money Mr and Mrs T contacted Virgin Money and asked to make an appointment to withdraw the funds in cash. But Virgin Money declined this request. And said that Mr and Mrs T needed to open another joint account so that they could deposit the cheques.

Following this Mr T emailed Virgin Money on 15 June 2024, asking for the funds to be transferred into other accounts. He explained that not having access to the funds was causing he and Mrs T financial problems and they were struggling to pay their bills. Virgin Money maintained its position and said it could only issue Mr and Mrs T cheques. So, Mr T wrote again to Virgin Money on 16 July, 25 July and 15 August 2024 asking them to release the funds. In response, Virgin Money said its process was to issue cheques.

Despite being asked by the investigator Virgin Money have not provided a detailed explanation for why it could only issue Mr and Mrs T with cheques for their closing balances other than this was due to their processes and the accounts being in joint names. I've also kept in mind that Virgin Money has recently agreed to release the funds by splitting these 50/50 and making a transfer to each of Mr and Mrs T's sole accounts. It's not clear to me why this wasn't done much sooner – especially as Mr T specifically asked Virgin Money to transfer the funds and told them he and Mrs T didn't have another joint account in June 2024.

The letters Mr T sent Virgin Money asking for the funds to be returned were very emotive. Mr T clearly told Virgin Money that not having access to their savings was having a severely detrimental impact on them. So, I'm satisfied that Virgin Money haven't treated Mr and Mrs T fairly and that they have been caused trouble and upset. I say this because they have been deprived of their funds for longer than necessary and had to repeatedly chase Virgin Money to release their money.

To put thing right the investigator has recommended that Virgin Money pay Mr and Mrs T £150 compensation and 8% interest on their account balances from the date their accounts were closed until the date they received their funds. I'm satisfied this is fair and reasonable based on the impact Virgin Money's actions had on Mr and Mrs T.

Finally, Mr and Mrs T say Virgin Money committed a breach of privacy, when it sent a letter to them both relating to Mr T's sole account. Virgin Money has accepted it made a mistake when it sent the letter. It has apologised and agreed to pay Mr and Mrs T £50 compensation for any upset it caused them. I think this is fair. I say this because whilst I accept Mr T would have been upset, having looked at the letter I can't see it contains any personal information. The letter was also sent to Mr and Mrs Ts home address, and given Mr and Mrs T are married I think it's more likely than not that Mrs T was aware of the accounts held by her husband.

### **My final decision**

For the reasons I've explained, my decision is that we can't look at Mr and Mrs T's complaint about the closure of their accounts because the complaint has been referred too late.

To put things right Clydesdale Bank Plc trading as Virgin Money should do the following:

- Pay Mr and Mrs T £150 in recognition for the trouble and upset caused by its in delaying returning their funds.
- Pay Mr and Mrs T £50 for is error in sending a letter to both Mr and Mrs T regarding Mr T's sole account.
- Pay Mr and Mrs T 8% simple interest for loss of use of their account balances from the date their accounts were closed up until when the funds were returned to Mr and Mrs T on 18 November 2024.

\*If Clydesdale Bank Plc trading as Virgin Money considers that it's required by HM Revenue

& Customs to deduct tax from that interest, it should tell Mr and Mrs T how much it's taken off. It should also give Mr and Mrs T a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T and Mrs T to accept or reject my decision before 26 September 2025.

Sharon Kerrison  
**Ombudsman**