

## **The complaint**

The estate of Mrs S is bringing a complaint on behalf of the late Mrs S.

The estate is unhappy with Clydesdale Bank Plc trading as Virgin Money. The complaint has in more recent times been dealt with by representatives Mrs and Mr K so for ease I will refer to Mrs K as much as possible throughout this decision.

Mrs K is unhappy that Virgin Money didn't follow instructions regarding reinvesting a Cash ISA. Instead, it put the money in a low interest account. This resulted in lost interest.

## **What happened**

In August 2023 Virgin Money were sent an email instructing it to reinvest the maturing Cash ISA into a new product. As this service had been involved in previous complaints between the parties of a similar nature this service also had a copy of this email, and it also sent a copy of the email to Virgin Money.

Despite these emails the ISA matured, and the money wasn't reinvested in the follow on cash ISA. The money was put in a low interest account instead. Mrs K said this resulted in a considerable loss of interest. Mrs K said as this had been a problem in the past and Virgin had previously accepted it had got things wrong it should do the same thing again this time. In the previous complaint Virgin Money had paid for the lost income and distress and inconvenience. Mrs K said this time she would settle for the lost interest.

As agreement couldn't be reached the complaint was brought to this service.

Our investigator didn't uphold the complaint. She said it was an online account and the correct log on procedure was followed to get a One Time Password (OTP). She said the OTP was sent but not received. Virgin Money said this was because Mrs S had a call minder set up on her phone to block certain calls. Our investigator said this was beyond Virgin Money's control.

Regarding the reinvestment Virgin Money said it didn't get Mrs M's instructions as the email was sent to one of its no reply email addresses. This meant the email inbox isn't monitored and so wasn't a valid way to send or receive maturity instructions. Our investigator noted under the help section it mentioned the webchat function and the website. She said if the link was followed it offered other ways of contacting Virgin Money and this wasn't done by Mrs S or anyone on her behalf. Our investigator said being an online account it was operated on an execution only basis and so Mrs S had to provide valid instructions for what she wanted to be done with her account. Our investigator said as the OTP function wasn't working, she thought Mrs S should have made other attempts to contact Virgin Money, especially in view of this being a problem previously. There was also a web address for getting back online and contact options, including phone numbers.

Our investigator noted one of the reasons the previous complaint was upheld was because the OTPs were being sent by text. This was a function Mrs S couldn't receive as she no longer had a mobile phone. But this was resolved by setting up the landline to receive

OTP's. In this complaint it was the call minder function that was stopping these getting through. Our investigator said Mrs S was advised by another of our investigators to contact Virgin Money directly but was told Mrs S had no interest in doing so. Our investigator didn't accept that because Mrs S had previously not had good customer service during a call that she wouldn't ever use this option again.

In view of the previous problem our investigator didn't think Mrs S had sufficiently attempted to mitigate any loss.

Mrs K didn't accept this and asked for the complaint to be passed to an ombudsman for a decision.

In my recent provisional decision, I said:

*"I think there's been efforts to try and continue with the theme of the previous complaint and present this situation as exactly the same. But I don't accept that it is."*

*Mrs K said the problem accessing the money had led to a considerable loss of interest. She said Virgin Money had been negligent in its administration, and not for the first time. Mrs K said Virgin Money should pay for the lost interest. Mrs K said despite the previous issues Virgin Money still wasn't engaging to resolve the matter.*

*When Virgin Money notified Mrs S of the impending maturity of the ISA, she emailed back confirming she couldn't access the account but wanted Virgin Money to carry out the transfer. The email was sent directly to Virgin Money and via this service. It's accepted in the submissions from Mrs K that no attempts were made to call Virgin Money when this problem arose. Despite previous problems one letter and some emails were sent to Virgin Money. Virgin Money said it had confirmed to the customer they would need to ring in to reset the password if they were not getting OTP's.*

*Virgin Money said it wasn't responsible for Mrs S's phone line blocking security messages either. It also said in correspondence that its system was showing each time the OTP had been generated and sent. Virgin Money concluded that the emails sent by or on behalf of Mrs S would have been to a no reply email address.*

*There's regular correspondence from Virgin Money offering ways to make contact. It regularly prompts the customer to call. It has tried itself to call but couldn't get through due to the call minder. So, it appears Virgin Money correspondence to Mrs S and Mrs S emails and letters to Virgin Money weren't being actioned by either party. Mrs S and then Mrs K stated that this is down to Virgin Money who knew of the issue due to the previous problems.*

*Mrs K suggested Virgin Money said the call minder function should be removed. But I don't think it did say that. I think it said that was something it couldn't resolve for Mrs S.*

*Virgin Money said its process for maturing online accounts hadn't been followed and so the money couldn't be moved to a high rate interest account. Virgin Money said as the online account might not be suitable for Mrs S it was willing to make an exception to manually open a new online account that could be operated by post. It also offered to transfer the money to another provider.*

*Virgin confirmed it received an ISA transfer out request on 12 February 2024 and this completed on 14 February 2024. The account was then closed.*

*Although there's debate around whether or not the emails were sent to no reply email addresses – there's no doubt this service provided Virgin Money with the same email*

*instructions on 18 August 2023 confirming Mrs S's instructions of what to do with the maturing ISA.*

*This service received an email from Virgin Money on 1 November 2023 regarding the copy of Mrs S's email requesting the ISA transfer sent via this service. It said "I assume you are asking what we at Virgin Money have done with the email? If a customer couldn't access their online account, they would have to call us to go through security. We'd try to get them online access again, but we could not accept the attached (unsigned) email providing maturity instructions."*

*Afterwards this service emailed Mrs S suggesting she should contact Virgin Money directly due to the persisting problem. It was at this point Mrs S responded to say she wasn't "concerned about accessing the account anymore and she no longer wished to do business with [Virgin Money]." Mrs S just wanted the lost interest. But this is many months after the wish to transfer the money, so it doesn't change the fact that Mrs S had made a request for action at account maturity.*

*Virgin Money maintained throughout "the account for Mrs S is an online ISA. This means it is operated online only and by the account holder."*

*This is a case where the parties agree on virtually nothing. An example of this is the point about whether or not the Virgin Money email address was a valid one, or a no reply email address. I think on balance from the later evidence from Mrs K it seems more plausible that the email Mrs S responded to wasn't a no reply email address. They provided screenshots to show the email address they said Virgin Money directed them to and noted on the screen it also said, "We will monitor emails sent to and from this email account."*

*And even if Mrs K did only respond to a no reply email address its accepted Virgin Money did get the version of the email sent to it from this service. And this email was in advance of the account maturity date.*

*I think Virgin Money is at fault here. Although I accept it had processes to follow, I think it's dismissal of the instructions it received via this service was unfair and unreasonable. It suggested it didn't accept the instruction because the email was "unsigned." And this service was only informed that the email hadn't been accepted by Virgin Money many months later. Virgin Money said the delay was because its adviser and our investigator hadn't managed to catch up with each other. But I don't accept that. The instruction was clear. It was linked clearly to the accounts involved and it gave a direct instruction to Virgin Money to act. Yes, it may have been a little out of the ordinary and unorthodox but Virgin Money knew the customers intention from that point. However, it offered nothing new as a way to resolve the problem.*

*I don't think Virgin Money can hide behind process and procedure when it's been clearly advised of the wishes of the customer at account maturity. Yes, Mrs S, or perhaps more likely those acting on her behalf could perhaps have done more – they too were aware of the issues created the previous year. But Virgin Money wouldn't bend at all to the wishes of a customer who despite not following the guidelines laid down had been clear about what she wanted to do via this service.*

*It feels to me that really what happened here was a breakdown in the relationship between Mrs S and Virgin Money. With both sides conceding nothing and blaming the other party. It's easy for Mrs K to say Virgin Money needed to do more and it's easy for Virgin Money to say the customer didn't follow instructions. But I think in the circumstances Mrs S and those acting on her behalf and for the estate have been left in a position where it must have been difficult to deal with. And with Mrs S's failing health and her unfortunate passing Mrs K and*

*the estate would have had other things to worry about and concentrate on. So, I can understand why sorting out this account might not have been a top priority.*

*I uphold this complaint.*

*Virgin money should pay the estate the difference between the interest it did pay on the lower interest account and what would have been paid if the ISA had transferred on the correct maturity date. The amount should be from the date the new ISA should have opened until the date the account was closed."*

### **Responses to my provisional decision**

Virgin Money didn't respond to my provisional decision.

Mrs K responded and said despite a few points she could comment on she was happy to fully accept the findings and await further contact from Virgin Money.

### **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.

In view of the response to my provisional decision there's nothing to change and so my provisional decision becomes my final decision.

### **Putting things right**

Pay the estate the difference between the interest it did pay on the lower interest account and what would have been paid if the ISA had transferred on the correct maturity date. The amount should be from the date the new ISA should have opened until the date the account was closed.

### **My final decision**

I uphold this complaint.

I require Clydesdale Bank Plc trading as Virgin Money to:

- Pay the estate the difference between the interest it did pay on the lower interest account and what would have been paid if the ISA had transferred on the correct maturity date. The amount should be from the date the new ISA should have opened until the date the account was closed.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs S to accept or reject my decision before 3 April 2025.

John Quinlan  
**Ombudsman**