

The complaint

Miss P is unhappy with the service she'd received from Clydesdale Bank Plc, trading as Virgin Money, surrounding a large transfer she made into her credit card account.

What happened

In February 2024, Miss P transferred a large sum of money into her Virgin credit card account which left the balance of the account approximately £22,000 in credit. In April 2024, Miss P contacted Virgin and asked for the large credit balance on her credit card account to be transferred from that account. In response Virgin explained that to release the funds they required proof of entitlement, in the form of statements from the accounts from which Miss P had transferred the money. Miss P provided the required account statements to Virgin in May 2024.

Miss P spoke with Virgin shortly afterwards and, after a long call, was told that her account was now restricted and that she would need to provide proof of income, such as a payslip, to demonstrate to Virgin's satisfaction that the large credit balance she'd transferred into the credit card account was legitimately hers. Miss P asked Virgin why they were now requesting this further information and had several further phone calls with Virgin about the matter. Miss P wasn't satisfied with the responses she received from Virgin, and so she raised a complaint and refused to provide her payslips as Virgin now required.

Virgin responded to Miss P's complaint in July 2024 and explained that their ongoing review into the matter had led their fraud team to restrict Miss P's account and request the additional proof of income from her. Virgin explained that Miss P's account would remain restricted until she provided that information, but Virgin apologised to Miss P for the poor standard of some of the phone conversations she'd had with their agents and that Virgin's fraud team hadn't contacted Miss P directly. Virgin paid £200 to Miss P as compensation for the trouble and upset this may have caused. Miss P wasn't satisfied with Virgin's response, so she referred her complaint to this service.

One of our investigators looked at this complaint. They felt that Virgin's response to Miss P's complaint already represented a fair resolution to it and didn't uphold the complaint. Miss P remained dissatisfied, so the matter was escalated to an ombudsman for a final decision.

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 issued a provisional decision on this complaint on 12 June 2025 as follows:

Like all financial institutions, Virgin have a responsibility and an obligation to be mindful of acts of potential fraud. There's no singular methodology by which a financial institution must meet that obligation, and it's for each institution to decide how to adhere to its responsibilities and to implement policies and processes that do so.

In this instance, Virgin have explained that the activity on Miss P's credit card account caused them to implement processes that apply when they develop a concern that fraud might potentially be occurring. This doesn't seem unreasonable to me, given that Miss P transferred a large sum into her credit card account – the terms of which specifically state that the account may not hold a credit balance – and then later asked for that large balance to be transferred from the account. And I feel that because of this unusual account activity it was reasonable for Virgin to develop concerns and to apply the processes that they did.

Miss P is unhappy that Virgin initially only asked her to provide statements from the accounts that the money had been transferred from (proof of entitlement), and only later asked her to provide proof of income, such as payslips. But Virgin have explained that while they did initially only initially request proof of entitlement, their ongoing review of the situation caused them to update their requirements to include proof of income.

Ultimately, I'm satisfied that it's for Virgin to have decided what they required to be satisfied that an act of fraud wasn't occurring here, and I don't feel that it was unfair or unreasonable for Virgin to have amended their overall requirements while their investigation into Miss P's account was ongoing. And, while I appreciate that would have been frustrating for Miss P, I feel that onus was on her to comply with Virgin's updated requirements in this regard.

I also hope that Miss P will understand how her reluctance to comply with Virgin's request that she provide proof of income could reasonably have been seen as being potentially suspicious by Virgin.

Miss P has said that she wasn't refusing to provide proof of income to Virgin without reason, but that she wanted Virgin to provide a clear and coherent reason to her why such further information was necessary, which Virgin's telephony agents failed to do to her satisfaction. And Miss P has also explained that she feels that there was no valid reason for Virgin to require proof of income from her.

I've listed to several calls between Miss P and Virgin, including the call when Miss P was first told that Virgin required her to provide proof of income. As an impartial party, while I feel that Virgin's agent could have handled the call better, I also feel that Miss P's own conduct on that call was a contributing factor as to why effective communication wasn't achieved.

For instance, Virgin's agent explained to Miss P at the outset that they couldn't transfer her to Virgin's fraud team, but that instead they could request that team to call Miss P. This doesn't seem unreasonable to me. However, on the call, Miss P wouldn't accept that point.

Additionally, when Virgin's agent explained to Miss P that Virgin now required her to provide proof of income, Miss P stated that there was no valid reason for Virgin to require that information and became frustrated when Virgin's telephony agent couldn't explain why the information was being requested. But I wouldn't expect a telephony agent to have a detailed understanding of the requirements of the fraud team, and I don't feel that Miss P's expectation in this regard was reasonable.

I feel that what should have happened here is that Virgin's telephony agent should have arranged for the fraud team to contact Miss P or should have spoken with the fraud team themselves on Miss P's behalf, which notably they did offer to do. And I feel that Miss P should reasonably have recognised that the information the telephony agent gave her about the requirement to provide proof of income was an attempt by that agent to be helpful, as much as they could be, so that Miss P knew what action Virgin required of her while she was waiting to speak with the fraud team.

It also seems self-evident to me that if Miss P was waiting to speak with the fraud team, that

the reason behind Virgin's request for proof of income must have had something to do with a concern about potential fraud. And I ultimately feel that Miss P could and reasonably should have mitigated against much of the frustration that she's experienced here by simply complying with Virgin's requirement to provide payslips to them.

For instance, Miss P has said that because Virgin wouldn't release the funds, because she wouldn't provide payslips to them, she was prevented from getting a mortgage. But if Miss P was prevented from obtaining a mortgage for that reason, then I wouldn't hold Virgin accountable for that – because Miss P could have provided the payslips to Virgin that would have enabled the release of funds that would have allowed her to obtain a mortgage. And if Miss P was unhappy about having to provide payslips to Virgin, I feel that she could reasonably have complained about that point after the fact, once her funds had been transferred from the account as she wanted.

In short, I feel that Miss P's contention that Virgin should have abandoned their requirement that she provide proof of income to them in consideration of her concerns about that requirement was unreasonable. And it follows from this that I won't be provisionally upholding this aspect of her complaint.

Regarding the service aspect of Miss P's complaint, I feel that the £200 that Virgin have already paid to Miss P already provides a fair outcome to that aspect. This is because, as explained, while I accept that Virgin could have provided better service to Miss P, I feel that Miss P could and reasonably should have mitigated against what happened here by providing her payslips to Virgin at an early juncture. And I feel that £200 is fair compensation for the poor service Miss P received that she couldn't have reasonably mitigated against.

Neither Miss P nor Virgin responded to my provisional decision. As such, I see no reason not to issue a final decision here wherein I do not uphold this complaint, for the reasons described in my provisional decision above. And I therefore confirm that my final decision is that I do not uphold this complaint accordingly.

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 Miss P to accept or reject my decision before 1 August 2025.

Paul Cooper
Ombudsman