

The complaint

R, a partnership business, complains that Clydesdale Bank Plc trading as Virgin Money, provided poor service and had an unreasonable process for reviewing a payment.

What happened

R explains that one of the partners contacted Clydesdale Bank when he wanted to make a payment for a car. Its account wasn't set up for internet banking and instead R then registered for telephone banking. It says that due to inputting a code incorrectly it needed a call back. And that several attempted call backs were dropped. It had difficulty setting up a payment and getting this verified. It's particularly unhappy with the security checks and questions asked about the payment and the delay before Clydesdale Bank allowed this to be processed.

Clydesdale Bank said that it accepted that R waited too long for call backs. It also accepted that R experienced multiple difficulties with reception on calls which resulted in them being dropped. It said it didn't have a record of any technical issues that day and couldn't be certain whether the problem was for example the reception of R's phone. But it accepted the poor experience received. Clydesdale Bank also agreed that R had calls misdirected. While R wanted to do a number of things that day and needed to speak with different members of staff there were times when its calls were transferred incorrectly.

Clydesdale Bank agreed that the call which went through the purpose of the payment before it was released was handled poorly. It said it had legal and regulatory obligations to question any unusual payments and avoid loss for customers. But that the payment could have been released more quickly although this was down to the discretion of the member of staff involved. It accepted that the tone and manner of the call, the length, and the long periods of being on hold could have been handled better. And that the member of staff wasn't able to get through to a manager and repeated the same questions. R had first called at 9-22am that day and the payment was released and then calls ended at 1-52pm. And this was too long and R spent a significant amount of time on the phone. It apologised and paid R £150 in compensation.

Our investigator didn't recommend that Clydesdale Bank do anything more. She said that it had received poor service. But that Clydesdale Bank was entitled to make checks and that she didn't think that these were excessive – the issue was about how these were communicated and managed. She thought that the compensation was appropriate for the inconvenience. And R hadn't identified a financial loss due to the delay.

R didn't agree and wanted its complaint to be reviewed. It said that it wasn't looking for more financial compensation but a proper review of the procedures which it said needed changing. R said that its complaint needed to be fully appreciated or nothing would change. And the obstructive attitude and mindset of Clydesdale Bank's staff would be an issue for all customers. And caused needless frustration and distress.

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 need to say that this service isn't the regulator and we don't review and set processes. I'm looking here at the specific issues for R around this payment request.

Clydesdale Bank has explained its responsibilities and need to make checks. So, I don't see any error was made in it deciding to make checks on R's payment this time. I understand that R had only registered, with clearly some difficulty, for telephone banking that day. And wanted to make a payment to a new payee of over £4,000.

But I do consider that the process as applied to R was unreasonable. R was in a call with the member of staff about the reason for the payment for about 1 hour and 20 minutes. I've listened to a recording of that to inform my assessment. That call didn't identify new material information about the payment after about the first 15 minutes. And instead, questions which seemed reasonable initially were repeated and the answers didn't seem to be understood. R asked to be referred to a manager and this didn't happen. And apart from R saying that it wanted to complain it's unclear why the member of staff eventually changed his mind and processed the payment. During the call he did appear in my view at times to be dismissive and to give quite insincere apologies. There were also numerous unexplained periods on hold.

R offered to provide the invoice for the payment and explained it had substantial experience in car dealing through another business account. R didn't receive any explanation as to why that wasn't taken into account. Or about what the specific concerns were. In my view R seemed to give a wholly credible and clear explanation of the payment. And as nothing changed during a period of about an hour after it had done so I'm struggling to understand why the call, which I don't doubt was well-meaning, lasted so long. And I don't accept Clydesdale Bank's explanation that this could be reasonable here because of the nature of a subjective assessment. I note the limited case notes retained to help explain its thinking and concerns.

I don't have anything to add on the evidence provided to what's already been said and accepted by Clydesdale Bank about the earlier connectivity issues and call misdirection and difficulty R had in registering for telephone banking and setting up this payee.

I note that R isn't looking for a further financial outcome here and need to say that this service doesn't make punitive awards. I've illuminated the issues in this case as I see them but as explained it's not my role to direct Clydesdale Bank to review or change its processes. I've taken into account our published guidance about compensation. The impact of what happened was more than minimal and took a reasonable effort for R to deal with and clearly caused distress. Looking at what happened overall I think that the compensation already paid is adequate. And that's taking into account I have no clear submissions from R to support why it should be higher. I know R is going to be disappointed when I say that for the reasons I've given, I won't be requiring Clydesdale Bank to do anything more.

My final decision

My decision is that I do not uphold this complaint in the sense that Clydesdale Bank Plc trading as Virgin Money need do no more than it has already.

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

Michael Crewe
Ombudsman