

The complaint

Mr O complains that Clydesdale Bank Plc (trading as Virgin Money) unfairly restricted and closed his account.

What happened

Around June last year, Virgin Money restricted Mr O's accounts. Later in July, the bank wrote to him advising it was closing his accounts. Mr O complained saying the decision was unfair and because he says Virgin Money caused a delay in returning his funds to him.

In its response, Virgin Money explained it had followed its processes correctly. The bank recognised it had caused a delay and offered Mr O £50 compensation. Mr O remained unhappy and referred his complaint to this service. He wants Virgin Money to pay him interest and increase its compensation award, as well as explain its closure decision.

Our investigator issued their outcome, concluding that Virgin Money had acted fairly. Mr O didn't agree and asked for a final decision, so the complaint has been passed to me.

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've decided not to uphold this complaint, and I'll explain why.

Banks that operate in the UK (including Virgin Money) are required to carry out specific actions to meet their legal and regulatory obligations. This includes the requirement for banks to complete ongoing monitoring of existing business relationships. And that sometimes results in banks deciding to restrict or - in some instances - close customer accounts.

Virgin Money has provided me with information to show why it reviewed Mr O's accounts. Having considered this, I'm satisfied the bank acted in line with its regulatory obligations.

Virgin Money is entitled to close an account. However, in doing so, it must ensure it complies with the terms and conditions of the account. The terms of the account say that Virgin Money can close Mr O's accounts by giving him at least two months' notice. In certain circumstances, the bank can also close an account immediately.

Virgin Money wrote to Mr O in July 2024, advising that it was closing his accounts in seven days. Based on the information I've seen, I'm satisfied that Virgin Money acted fairly and in line with its terms and conditions when doing so.

I understand Mr O's concern, given he would like to know why Virgin Money closed his accounts. But the bank is under no obligation to explain why it made this decision.

It's important that I point out that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for several reasons – for example, if it

contains security information, or commercially sensitive information. Some of the information Virgin Money has provided is information I consider should be kept confidential.

I understand the distress and inconvenience Mr O says he was caused because of the delay in the return of his funds, which he didn't received until 19 August 2024. Virgin Money already accepts its service was poor and offered him £50 compensation. Mr O wants the bank to increase this award.

I agree Virgin Money's service was poor given its failings resulted in Mr O having to chase the return of his funds and travel to a branch to re-submit the relevant form. But after considering what Virgin Money has said and the content of its review, I don't find awarding Mr O compensation would be fair or appropriate. I understand Mr O would want to know the information I have weighed to reach this finding. But I am treating this information in confidence, which is a power afforded to me under the Dispute Resolution Rules (DISP), which form part of the Financial Conduct Authority's regulatory handbook.

For these reasons, I won't be asking Virgin Money to do anything more in relation to this complaint.

My final decision

I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 20 October 2025.

Abdul Ali
Ombudsman