

The complaint

Mr P is unhappy with Clydesdale Bank Plc trading as Virgin Money.

Mr P was moving to a new account with another bank “L”. He was doing this to take advantage of the switch incentive offer of £185. But not all of his direct debits switched over and so Mr P missed out on the incentive.

What happened

Mr P did get the account switch completed, but without all his regular payments coming across. Mr P said he had confirmation from all three companies involved that the direct debits had been set up on his Virgin Money account prior to the switch. Mr P said the account switch letter from Virgin Money didn’t detail any information of what was being switched.

Mr P noted initially Virgin Money accepted it had made an error and he should make a complaint.

Virgin Money said Mr P notified it not all of his direct debits transferred across to his new account. It said it wrote to Mr P on 14 July 2024 confirming all the active payment arrangements on his account switch. Virgin Money claimed this confirmed there were only two active direct debits one for “B” and one for “E”. Virgin Money said since then it noticed two new direct debits were set up on the account. But it said these were added by Mr P after the switching process had taken place and so they weren’t transferred over.

Virgin Money said no bank error had been made, the system was completely automated, and it sends all active direct debits, standing orders, and bill payment information to the new bank electronically. Virgin Money paid £20 compensation for any distress and inconvenience caused relating to initially telling Mr P an error had been made when there hadn’t been.

Mr P remained unhappy and brought his complaint to this service. Mr P said having to bring his complaint to this service meant his costs would be another £1,000 in fees and further work.

Our investigator didn’t uphold the complaint. He said the setting up of the new direct debits was too close to the switching date. He said he couldn’t ask Virgin Money to take any further action. He said L requested the active direct debits eight days before the switching date and at that point only two direct debits were received from Virgin Money. He said there was nothing Virgin Money could have done to prevent this situation. He said the £20 compensation offer was fair and reasonable.

Mr P didn’t accept this and asked for his complaint to be passed 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.

Mr P said his regular payments didn't transfer over and that was why he missed out on the incentive. Mr P said he sent evidence showing all three direct debits had been set up on this Virgin Money account prior to the switch.

Mr P said Virgin Money's letter dated 14 July should have actually confirmed clear information and then he would have known whether there was an issue or not.

Virgin Money accepted it initially told Mr P it had made an error. But it later said this wasn't the case. It said the direct debits were set up as follows:

10 July – B

11 July – E

16 July – V

18 July – V

Virgin Money said the transfer request from L and confirmation of the direct debits was sent on 14 July. It said that day a letter was also sent to Mr P confirming the switch request had been received and it was on its way.

Virgin Money accepts two further direct debits were added to the account prior to the account switch conclusion. But as they weren't included in the initial transfer L didn't have details of them to transfer. Virgin Money said L should have written to Mr P confirming the payments it was transferring over.

Virgin Money said it wasn't in control of when direct debits were set up and any delay that occurred would be for Mr P to take up with the companies concerned. It maintained there were no mandates set up for the third and fourth direct debits when the automatic letter was sent.

The terms of the switch said the customer needed to transfer at least three active direct debits from their other bank account to complete a full switch. So, it's clear that only two of the direct debits moved over and so L didn't pay out the £185 switch incentive.

Based on the dates the direct debits were set up I don't think Virgin Money did anything wrong.

I accept the set up dates for new direct debits were after the start of the switch. And despite Mr P having confirmation from the businesses involved that direct debits had been set up, it's clear that these didn't reach the account until after 14 July. So, as Virgin Money said any issue over the start date of the direct debits is between Mr P and those businesses. It's clear that the process for the switch was set on 14 July and the new direct debits didn't join the account until 16 and 18 July. I understand Mr P's later point that the switch didn't conclude until 22 July, but Virgin Money has been clear that the automated process was set and followed on 14 July before the two new direct debits had become part of the Virgin Money account.

I can understand how Mr P feels this should have worked out and included all of his direct debits. But I accept Virgin Money's point that the system is automated and so it acts only at the point when it transfers the details and no more than that. The system wouldn't be

expecting new direct debits to come in after the notification that the account was moving away.

I can't say that Virgin Money has acted unfairly or unreasonably here.

In terms of the compensation offered I think the £20 is fair in the circumstances. Virgin Money did give Mr P the impression it had made the mistake initially, and to deal with that it offered the £20 for any distress and inconvenience that caused him. I think that's reasonable.

My final decision

I don't uphold this complaint.

I make no further award against Clydesdale Bank Plc trading as Virgin Money.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 21 January 2026.

John Quinlan
Ombudsman