

## **The complaint**

Miss D is unhappy with Clydesdale Bank Plc trading as Virgin Money.

Miss D opened a Virgin Money ISA but found this highly stressful because she couldn't find Virgin Money's details on the Financial Services Compensation Scheme (FSCS) register. Miss D said when she asked Virgin Money staff they didn't know the answer, didn't help and didn't send her a letter confirming that Virgin Money were registered as Clydesdale Bank.

Miss D said the overall customer service from Virgin Money hadn't been good enough.

## **What happened**

There was also a problem around the correct recording of Miss D's address with Virgin Money's app. Miss D felt her concerns were dismissed when she spoke to the complaints department manager. Miss D decided she wanted to move her ISA money back out of the Virgin Money account and was told she would lose a 60 day interest penalty.

Miss D never got a letter confirming the FSCS details despite promises and the address issue was never resolved despite Virgin Money involving its IT department. In removing her ISA funds Miss D lost £1371.97 due to the 60 day interest penalty. Miss D think Virgin Money should have waived there fees as she felt she had no choice other than to leave the account. She said rather than resolve the matter it pointed her to this service.

Virgin Money accepted the service hadn't been at the level it should have been around call backs from staff and apologised. It paid £135 compensation for the service and readjusted the interest paid when the account opened to take account of any delays. But it said regarding the ISA Miss D chose to open she was provided with details to make an informed decision. It said Miss D was told about the 60 day interest penalty on any amount withdrawn. Virgin Money confirmed during telephone conversations Miss D specifically asked about withdrawals and a staff member explained about the 60 day penalty in line with the terms and conditions. It said Miss D was told on three separate occasions about the penalty fees.

Virgin Money confirmed the penalty fees of £1371.97 were correctly applied to the withdrawal of Miss D's funds as per the terms and conditions and explained to her when she took the product out and when she asked to withdraw.

Miss D remained unhappy and brought her complaint to this service.

Our investigator didn't uphold the complaint. She said it was accepted by Virgin Money that the service should have been better. But she noted it had paid £135 in compensation for the poor service and adjusted the interest paid for any delays when the ISA was opened. Our investigator felt this was a fair outcome.

Miss D remained unhappy and asked for her 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.

I've read and reviewed all of the information provided but I won't comment on it all. I will deal only with the points I see as central to the complaint raised.

Miss D was worried about post due to the ongoing issues over the address Virgin Money had noted for her in the app. She said this was never corrected even when it involved the IT department. But she noted it was eventually updated and whereas in the past it had never been shown before the house name was now repeated twice.

Miss D said she lost trust in Virgin Money and as she had suffered previous scams before she needed to be thorough in her checks about it and its FSCS registration. She highlighted a couple of members of staff who weren't able to confirm FSCS registration and who didn't get back to her to confirm it. But Miss D accepted she was told by one of these that the staff member opening her account would know.

Miss D said she couldn't see the FSCS details on the website. She said the only time it was mentioned as being on the letter head was when she was talking to the complaints manager.

Miss D said she had no choice but to remove her money. She said the £135 wasn't compensation for Virgin Money to continue to disregard the safety of her account and risk GDPR with her correspondence.

Regarding the address Virgin Money said it had again asked the admin team to amend it. It also said there was an option for Miss D to do it in the app. It concluded it did have the address right on some internal systems and could send letters correctly. It also said despite the app issue Miss D would be able to pass security.

It later told this service when it duplicated the house name, *"The error with the address is due to our system requiring a house number, and when left blank it automatically completes this box with the house name again. Our IT Team have confirmed the below:*

*We are going to provide a code fix for this issue to fix the issue permanently. ETA for the fix is not known yet, meanwhile as a work around, we can advise customer to update the address and enter house number if available and this will resolve the duplicate house name display on customer address. If customer using ios version mobile, customer can't view duplicate address on customer profile."*

Virgin Money accepted the poor service through the lack of call backs when agreed and said this would have been frustrating for Miss D. It apologised for this.

But Virgin Money remained adamant that Miss D did have the interest penalties explained to her if she chose to withdraw or close the account early. It said of its staff member, *"He confirmed, amid other things such as the type of product you were applying for and it wasn't suitable for regular savings, you can make immediate withdrawals from the account but you will be charged 60 days interest on the amount withdrawn."*

Virgin Money detailed the three occasions the penalties were discussed during telephone conversations with Miss D.

Virgin Money said in the first call Miss D had with the staff member he confirmed FSCS cover up to £85,000. And the penalty fees for withdrawal. It noted *"He then goes on to*

*explain about the Financial Services Compensation Scheme (FSCS) and the customer explains what she had found. [staff member] confirms we are indeed part of the scheme, but the customer asks him for our registration number which he didn't know off the top of his head. The customer said the information she got is from the FCA website, [staff member] directs her to the Virgin Money FSCS information online."*

At the end of the discussions Virgin Money noted Miss D asked the staff member to complete the transfer of funds into the ISA as she said she personally wasn't very good online and gets confused.

It concluded that the reason it pointed Miss D to this service was because there was nothing further it could do. It said the amount charged was correct and an appropriate outcome had been provided, and that in relation to the ISA being taken out Miss D made an informed decision based on the details given to her.

Virgin Money confirmed details about FSCS are available on the homepage of its website and she had been assured (as above) about it being registered. It maintained there had been no bank error causing the account to be closed early.

There's no doubt Virgin Money's service wasn't at the standard it should have been. It did take a long time to set up the ISA, and it did miss call backs and didn't update Miss D as she requested. And perhaps if Virgin Money had written to Miss D or provided her with screenshots from the website at the outset she would have felt more comfortable about its FSCS registration. But from the details I've seen it did have the FSCS details on the website, although I don't dispute that Miss D couldn't find it.

But listening to the lengthy telephone discussions I think Virgin Money acted fairly and reasonably. I think the advice from the staff member when she opened the account was clear. I think he went into appropriate detail and covered the penalty fees.

I can understand Miss D's worry as she said she has had problems in the past with scams. But Virgin Money acknowledged it made mistakes, it apologised, paid up extra interest and compensation. And when Miss D did go ahead with the ISA, I think the staff member was clear about the terms, the penalties and the FSCS.

Miss D later decided she didn't have a choice other than to move her money away from Virgin Money. Although Miss D was still worried about the address details it didn't impact on the money being moved. Of course, Virgin Money should have a system where having a house name rather than a house number shouldn't be an issue but it didn't force Miss D to move her money out. This was her choice, and it did inform her of the penalties throughout if she did choose to take this action. So, I don't think it acted unfairly or unreasonably when it applied the penalty.

In view of the service issues, I think the £135 already paid was fair compensation.

### **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 Miss D to accept or reject my decision before 12 January 2026.

John Quinlan  
**Ombudsman**