

The complaint

Mr and Mrs K complain about the service they received from Clydesdale Bank Plc trading as Virgin Money following a fraud alert on their current account.

What happened

In April 2025 Mr K received a message to contact Virgin Money to confirm a recent transaction. Mr K confirmed the transaction was unauthorised. Virgin Money said it would block any payments to the payee in question and that Mr and Mrs K's debit cards would continue to work as usual.

Mr K found that his card wasn't working so in early May 2025 he phoned Virgin Money. Virgin Money told him he hadn't answered all its security questions correctly and it asked him to complete an online verification process before it would discuss the account with him. Mr K wasn't happy with this or with Virgin Money not offering any alternatives to online verification.

By the end of May 2025 Mr K's debit card was still not working, he couldn't access the account online or via the banking app, and Mrs K couldn't access the account online either although she could still use her debit card. Mr and Mrs K felt they had no choice but to move their account to another provider. Their Virgin Money account has since been closed.

Virgin Money sent Mr K three final response letters. It accepted it had made mistakes and apologised. It also made three separate payments of compensation to Mr and Mrs K, totalling £275.

Mr and Mrs K referred their complaint to us. Our Investigator concluded that Virgin Money had done enough to put things right. Mr and Mrs K didn't agree and asked for an Ombudsman's review.

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.

There's no dispute that Virgin Money got things wrong. It failed to unblock Mr K's card when it said it would in April 2025 and took more than a month to do so. It then didn't tell Mr K that his card was working again for more than a week. Mr K didn't receive promised callbacks and was kept waiting for his calls to be answered, Virgin Money didn't offer him alternatives to online identity verification, and it made mistakes in correspondence.

It's clear that Mr and Mrs K have found this whole matter very frustrating and stressful. They have also had to spend time trying to sort out access to their account and have been put to considerable inconvenience. I can understand why they decided to move their account to another provider given the apparent impasse they had reached with Virgin Money and their unhappiness with the way it had dealt with them.

I've thought carefully about everything Mr K has said about the impact this matter had on him and Mrs K, as well as about the lack of apology they have received for having had to move their bank account and some of the compensation Virgin Money paid them having been for minor, incidental issues. Having done so however, I've concluded that Virgin Money has paid fair and reasonable compensation, and I therefore make no further award or direction.

In taking that view I've considered all the circumstances, as well as our general approach to compensation for non-financial loss.¹ While I realise that £275 is less than Mr and Mrs K think they should receive, I think it takes account of the impact on them of what went wrong and the effort they had to put in to sort things out. I'm satisfied that this is a fair award in all the circumstances and I don't find that I can reasonably require Virgin Money to do or pay any more.

My final decision

My final decision is that I don't uphold this complaint – in the sense that I make no order or award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K and Mrs K to accept or reject my decision before 24 December 2025.

Janet Millington
Ombudsman

¹ There is more information about this on our website: <https://www.financial-ombudsman.org.uk/consumers/expect/compensation-for-distress-or-inconvenience>