

## **The complaint**

Mr M complained that Clydesdale Bank Plc trading as Virgin Money (Virgin Money) froze and subsequently closed his UK account.

## **What happened**

Mr M had been a long-standing Virgin Money customer who moved overseas several years ago but wished to keep his account active to receive payments, including his UK pension. He objected after Virgin Money initially blocked his account pending updated security information and later informed him that the account would be closed following its decision to stop supporting customers residing in certain overseas countries. Virgin Money gave Mr M notice in June 2025 and closed the account in September 2025.

When Mr M complained, Virgin Money acknowledged that its communication could have been better but said the closure was in line with its terms and conditions. Our investigator concluded that Virgin Money had acted correctly in closing the account but recommended paying Mr M £100 compensation for poor service.

Whilst Virgin Money agreed to do this, Mr M asked for an Ombudsman review. He wanted the account re-instated and a more significant compensation payment. So the complaint came to me 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 carried out an independent review and having done so, I've reached the same conclusion as our investigator.

I can appreciate how frustrating and stressful Mr M has found this whole experience. But to tell Virgin Money to reinstate his account and award more compensation, I would have to find that Virgin Money made a mistake or acted in a way that wasn't fair and reasonable and hasn't done enough to put things right. So I've looked at what happened with this in mind.

### The account block

Mr M said he should have never failed Virgin Money's security checks and it could easily have verified the UK address he (and Virgin Money) was using was genuine. But although Mr M was using a trusted address in the UK to receive post, he was living and working overseas. So it makes no difference to the outcome of his complaint that he still had UK nationality or that his continued arrangements were subject to an annual visa review – or even that his longer-term plans included returning to live in the UK.

Virgin Money must comply with legal and regulatory obligations including verifying customers' identities and assessing account risks ('Know Your Customer' or 'KYC' checks). When Virgin Money identified gaps in the information it needed from Mr M, it was reasonable

to block access to his account until those checks were completed. This was done to protect the funds in the account.

#### Account closure

Virgin Money is required to regularly review the countries where its services are used and entitled to set its own business criteria. It made Mr M aware that the decision to close the account was solely based on his overseas residence and didn't reflect on him or his conduct of the account. Virgin Money gave Mr M 12 weeks' written notice, which complied with the account terms and conditions and reflects the notice period we would expect in these circumstances. The bank explained his options for transferring funds and advised that if he changed his country of residence or planned to return to the UK within 12 months, he should contact Virgin Money.

Given these steps, I am satisfied that Virgin Money was entitled to close the account and did so correctly. These measures are designed to keep customers' money safe and prevent fraud and money laundering, so I can't say Virgin Money acted unfairly or unreasonably.

#### Service Issues

Virgin Money has recognised that aspects of the service it provided to Mr M were below par in connection with the KYC process and the pending account closure. And it said Mr M's contact with Virgin Money's customer services could've been better managed.

Virgin Money has agreed to pay Mr M £100 compensation which I consider fair in his particular situation. It's in line with awards made by this service in comparable circumstances.

**Putting things right**

Virgin Money should pay Mr M £100 compensation in total.

**My final decision**

My final decision is that I uphold this complaint and Clydesdale Bank Plc trading as Virgin Money should take the steps set out above to put things right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 27 January 2026.

Susan Webb  
**Ombudsman**