

The complaint

Miss L complains that Clydesdale Bank Plc trading as Virgin Money informed her that she held an account with it when she says she did not. And that it told her the account was closed but it still remained open.

What happened

In late 2023 Miss L, as I understand it, received an email from Virgin concerning a help to buy ISA (individual savings account) it says she held with it. She contacted Virgin and told it she had no accounts with it. In a phone call which it says was in November 2023 it says it confirmed that she had an account, but that this account would now be closed. It later said this couldn't be closed because it had a £0.05 balance. This needed to be brought down to zero before the account could be closed.

Following a complaint to the Information Commissioners Office (ICO), Virgin confirmed that Miss L had held an account with Y, a bank taken over by Virgin in 2018, and which Y had notified her about in October 2018 and June 2021. Further as Miss L had told the ICO she wanted the account to be deleted, Virgin advised in July 2024 that it had closed the account and transferred the small outstanding balance to its charity partner.

Miss L remained unhappy, particularly as she says she was assured the account had been closed in November 2023. And Virgin sent final response letters to an old address she had told it she hadn't lived at for a long time. She has told us she doesn't accept Virgin's records of any accounts as genuine.

I issued a provisional decision. In it I took account of the anxiety caused to Miss L, the lack of a full explanation for the account still being open, misleading her to believe the account was being closed and sending letters to an old address when she had asked it not to. I proposed that Virgin pay compensation of £250.

Virgin accepted my provisional findings and proposed compensation award.

Miss L has now provided us with a recording of the November 2023 phone call, which I have considered in making this 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.

The following were my provisional findings:

"Where the evidence is incomplete or contradictory, as some of it is here, I have to make my decision based on what I think is most likely to have happened. I have a duty to be impartial so I have to assess both parties' evidence fairly."

accounts

Miss L insists that she has never held an account with Virgin, and technically she is right. However, after Virgin took over Y in 2018, all open accounts were transferred to Virgin and rebranded as Virgin accounts in 2021. So equally, if Miss L had accounts with Y that were still open in 2021, these would have been transferred and rebranded at that stage.

I must advise that we are an informal dispute resolution service, as an alternative to the Courts. In keeping with that status, we don't have the power to call or cross examine witnesses or to carry out forensic examinations of documents. We rely on businesses sending us accurate records of accounts and documents. Though of course, if we were to have any concerns about any documents presented to us, we'd make further enquiries.

In respect of that Virgin has sent us a record of three accounts in Miss L's name. Two were held with Y and were closed before the takeover. The third is the help to buy ISA which, according to the record, was opened in April 2016. That was the account that was closed by Virgin in July 2024.

In support of that, Virgin has sent us, and Miss L, a copy of the original application for the account, signed by Miss L. Whilst I understand that Miss L disputes the authenticity of the record and of the document, I haven't seen any evidence that would suggest that this is incorrect. I think that it is most likely that Miss L had the ISA with Y. I can't account for why there was just £0.05 in the account, as I've seen no record of any transactions on the account. I'm aware that Miss L says this isn't on her credit record. Though the record would usually contain details of credit like loans, mortgages, overdrafts and credit accounts. So it's unlikely that a savings account with such a small balance would be recorded with the Credit Reference Agencies.

In respect of notifying Miss L of the takeover and rebranding, Virgin has sent us copies of the wording of the emails that would have been sent to Miss L in 2018 and 2021. I appreciate that this isn't actual evidence of the emails being sent. However, as similar emails would have been sent to the 2.8 million customers concerned, I don't think it reasonable to expect that individual records would be available for each one.

That said, I don't think that Virgin explained this adequately to Miss L in response to her complaint and as she had just a nominal sum in one account, I wouldn't expect her to have remembered the emails, if she received them. As Miss L, reasonably from her point of view, was adamant that she didn't have an account with Virgin, I don't think that the final response letters (FRLs) adequately explained the position. It was only after Miss L made a complaint to the ICO that the full position was explained to Miss L.

closure

If there was still a balance outstanding on an account, however small, Virgin wouldn't be able to close the account without the account holder's permission. Especially as this was a help to buy ISA, as that type of account is no longer available. Miss L says that in a phone call in December 2023 she was told that all accounts had been closed. Virgin says that it couldn't find any record of this being said to her, though in a phone call in November 2023, it agrees that its agent told Miss L the account would be closed and a confirmation email sent. Though the agent didn't explain this couldn't happen unless the balance was brought down to zero. I think it likely that if this had been explained to her at the time the matter could have been much more easily resolved.

We've attempted to get the call recording from Virgin but it's told us that it can't now find the call, which is unfortunate. I understand Miss L says she has call recordings but although

we've attempted to help her with sending them to us, we haven't received them. If Miss L wants to send any such recordings, I would ask her to liaise with our Investigator.

So based on the evidence we do have, I think it's likely that if Miss L wasn't told the account was closed, she was advised it would be closed. Though it wasn't made clear to her at the time that further action would be required of her. As I understand that she had another help to buy ISA and given her anxiety that she couldn't hold two help to buy ISAs I do think this caused her some distress. I think it could have liaised with her about how the closure could have been achieved, rather than acting after she had made a complaint to the ICO.

outdated address

Virgin held no up to date postal address for Miss L. It wasn't at fault in that respect as Miss L hadn't updated her record. However, it was told in November 2023 that she hadn't lived at the address on record for a long time.

Virgin subsequently sent two FRLs by secure email link. Despite Miss L's misgivings about using the link, I don't think there was anything wrong with Virgin's process in that respect. But it also sent them by post, and to the old address. Given Miss L's concerns about her data, and the potential data breach, I do think this would have caused her more anxiety.

data

As I'm satisfied that Miss L held her rebranded account with Virgin until July 2024, I haven't found any issue with the retention of her data. And as banking regulations require banks to retain customer data for six years, I can't direct it to delete its record. I'm aware she complained to the ICO about this, though I'm not aware if it has made any determination of her complaint.

compensation

As I understand that Miss L was anxious about an account still being open, I do think she was caused some distress as the issue wasn't fully explained to her at first. And I think she was misled into believing the account would be closed. Further I think it would have caused her some anxiety to be told letters had gone to an old address. I propose to require Virgin to pay compensation of £250."

Miss L has now provided us with the phone call recording from November 2023, and I thank her for doing this. The call was with two advisers from Virgin, being transferred halfway through. Having listened to it in full, I would summarise the main points as:

- The original email Miss L received from Virgin appeared to be a marketing survey of some sort.
- She explained that she had closed down her accounts with Y some years previously.
- The adviser said that the records showed that Miss L still had an account which had been transferred from Y to Virgin.
- That account was still open although the adviser couldn't explain why.
- The adviser agreed to close the account down within 5 working days. And to send an email notification when this was done.
- Miss L was concerned that the partial post code on the email referred to an address which she hadn't lived at for more than 10 years. She asked Virgin to remove this address from its system, as the present occupants of that address had been reported for financial abuse to the police and had previously taken out accounts in her name.

So I think that Miss L wasn't told that the outstanding account *had* been closed. But the

adviser did assure her that it would be closed and clearly Virgin failed to do this and failed to explain why at the time.

I have carefully considered the additional information now supplied. It does explain more clearly the reason for Miss L's anxiety at letters being sent to her old address, she hasn't told us that anything happened as a result. Though clearly Virgin should have taken notice and ensured that no further letters went there.

So overall I remain persuaded by my provisional findings. Those findings are now final and form part of this final decision. I'm also persuaded that the award of compensation is right.

Putting things right

Virgin should pay compensation of £250.

My final decision

I uphold the complaint in part and require Clydesdale Bank Plc trading as Virgin Money to provide the remedy set out under "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 29 December 2025.

Ray Lawley
Ombudsman