

The complaint

Mr D on behalf of his company B complains about the service received from Clydesdale Bank Plc trading as Virgin Money (“Virgin Money”) when despite its phone app confirming transactions he’d made were successful, he later found out that the transactions hadn’t taken place due to fraud blocks. Mr D believes the communications around this to be misleading.

What happened

Mr D on behalf of B instructed Virgin Money via an open banking platform to make three payments. While the first transaction on 2 May for £500 went through without problem the following larger payment for £5,000 was stopped despite it being made to the same account and recipient. A third payment of £10,000 was made on 8 May to a new beneficiary and was also stopped despite Mr D saying he received a confirmation on screen saying ‘All done’.

Virgin Money contacted Mr D by phone on 2 May where he stated that he wondered what had happened regarding the second payment and that he hadn’t had a great experience with open banking in the past as it was in its infancy and tends to fall over a lot. Mr D said when attempting the £5,000 payment the Virgin Money app just hung and he ended up having to just close it down. Virgin Money’s adviser explained that this was due to a fraud check and making a small and then larger transaction immediately after one another. After Mr D answered a couple of security questions the transaction was approved and successfully processed.

Mr D received a further phone call from Virgin Money on 9 May regarding the £10,000 payment on hold. Mr D indicated again that he knew what the call was about and the adviser confirmed the payment was on hold for a fraud check and took Mr D through this and provided the fraud warning. Mr D queried why the payment was blocked and was told it was due to an increase in fraud and the payment could be deemed suspicious as multiple payments were being made to the same account.

The adviser said they weren’t sure as to why this payment was blocked having made payments to the recipient previously but would get that looked into and offered to make a note on the account that payee will be a regular recipient. At which point Mr D asked to raise a complaint as the repeated blocks were inconvenient. Mr D said Virgin Money shouldn’t be able to block payments as a default and only allow them to go through as exceptionally. The adviser confirmed that they’d both transferred Mr D’s payment for him and raised a complaint.

Following this Mr D mentioned that when he made the payment, he received a pop-up notification on the screen saying “All done” as if the transaction had been successful and asked this to be added to his complaint.

Virgin Money didn’t uphold Mr D’s complaint and explained that every account is monitored by its automated Fraud Detection system for patterns of spending which could be considered unusual or potentially high risk and if such spending is identified the payment will be placed on hold until it can confirm with the customer the transaction is genuine. Virgin Money said

despite Mr D making similar payments to the same company previously, transactions are selected randomly, and its system is automated and in place to safeguard the account.

Virgin Money say that the message Mr D received when logged into his Virgin Money account via open banking wouldn't be provided by it but rather the open banking website as it has no control over messages provided when a customer uses this method of banking.

Mr D was dissatisfied with this and so brought his complaint to this service. Mr D doesn't believe having an automated system excuses poor customer experience and the inconvenience caused. He says that Virgin Money's fraud rules trip too readily preventing the open banking functionality and disputes the 'All done' screen belongs to the originating open banking website. Mr D provided a video of him making a payment and the message saying 'All done' with Virgin Money branding and a message saying:

"You've been securely logged off and are now heading back to... Don't close this window".

Virgin Money explained that its app would show a message 'All done' to show when the payee details match, but this isn't confirmation that the payment has been completed and that this screen shot doesn't prevent it from carrying out further fraud checks before the payment is released as this can be done at any stage of the payment process.

Virgin Money say when a payment is placed on hold the customer will normally get a message stating the payment is on hold and asking them to call it.

One of our investigators looked into Mr D's concerns but didn't think Virgin Money had made a mistake. They thought it likely the notification saying 'All done' came from Virgin Money, but didn't think this meant Virgin Money had made an error in blocking the payments following this as Virgin Money are obligated to have systems and processes in place to reduce and prevent fraud where possible and so it was entitled to review the transactions and hold them and can be done at any stage of the payment process.

Mr D remained dissatisfied and believes the message displayed relates to the transaction being completed and not just that the payee has been recognised and that this is a clear failing in terms of not providing transparent outcomes under the Consumer Duty.

Mr D agrees Virgin Money are within its right to review transactions and hold them while doing so but would need to advise the customer accordingly so they can be clear about the transaction outcome.

Mr D has asked for an ombudsman's decision on the matter.

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.

Firstly, I should make it clear that Mr D has raised a complaint point regarding a further payment blocked after the payments described above and that my decision only relates to the issues B has had and the complaint raised by Mr D following the 2 and 8 May 2025 payments.

I hope that Mr D won't take it as a discourtesy that I've condensed this complaint in the way that I have but ours is an informal dispute resolution service and so I've concentrated on what I consider to be the crux of the complaint - our rules allow me to do that. And the crux of this complaint is that two payments made on behalf of B on 2 and 8 May were blocked

unnecessarily for fraud checks, despite payments being made to the same recipient before and receiving a message from Virgin Money confirming that the payments were 'All done'.

Mr D says that Virgin Money is misleading in its communication around the completion of the payment and believes Virgin Money should advise the customer the payment has been blocked for a fraud check at the outset so they can be clear about the transaction outcome.

It might be helpful for me to say here that, I don't have the power to tell Virgin Money how it needs to run its business and I can't make Virgin Money change its systems or processes – such as how or when fraud prevention checks are deemed necessary regarding payments going out of an account, the communications regarding this or the processes it follows to do this. These are commercial decisions and not something for me to get involved with. Nor can I say what procedures Virgin Money needs to have in place to meet its regulatory obligations. We offer an informal dispute resolution service, and we have no regulatory or disciplinary role.

That said I don't think it was unreasonable for it to have systems in place – in this case carrying out checks on outgoing payments that meet certain criteria for fraud prevention - to ensure the transactions are legitimate and it meets its regulatory requirements. Indeed, Mr D accepts and understands this is needed not only to protect businesses against criminal activity, but also their customers.

But Mr D doesn't understand why when he's already made payments to the recipient before and informed Virgin Money that he will be making further payments in the future and where he's already answered questions about this, its automated fraud prevention system still blocks them.

Virgin Money has explained that its systems are automated and so it isn't possible to bypass them as each transaction is considered and flagged randomly for fraud checks depending on a number of factors. And although I appreciate Mr D's frustration around having to repeatedly go through the process, I don't think this is unreasonable as circumstances can change and each transaction needs to be assessed individually as and when they happen. And as I stated above, it's not for me to say what systems or processes Virgin Money needs to have in place to meet any regulatory requirements.

And although I appreciate it would certainly be helpful and preferential to know in advance if further checks will be required when making payments, banks aren't obligated to do this. Indeed, there will be some scenarios where banks are limited in the information they have at the time of the payment instruction and whether it can go through or is legally restricted in the information it can provide to the customer about the security and fraud checks being carried out. Indeed, in some cases if this information was released it could assist criminals in circumventing its security processes.

All I can decide is whether Virgin Money made an error when carrying out the checks it deemed necessary and I think in this case - given the not insignificant amount of money involved and the proximity of the payments being made to each other - it did.

Mr D believes that the message received 'All done' from Virgin Money is misleading as this message indicates the payment is complete. But I disagree as equally I think this can mean the payment instructions have been received/completed and the first part of the payment process is complete. Indeed, Virgin Money say this message is to show when the payee details match, but isn't confirmation that the payment has been completed and that this screen shot doesn't prevent it from carrying out further fraud checks before the payment is released, as this can be done at any stage of the payment process as per its terms and conditions.

In any case screen shot and video Mr D has provided of the process isn't of the transactions he made on 2 and 8 May. And nor does it show me it is the message received for payments that were held for a fraud check. And having listened to the call recordings when the fraud checks were carried out, Mr D was already aware there was a problem with the payments and initially indicated that when attempting the £5,000 payment the Virgin Money app just hung or froze and he ended up having to just close it down. So I can't say that Mr D actually received this message regarding the payments that were held as part of this complaint.

So although I accept having to go through an security check to complete the payment process was inconvenient for Mr D this process is in-line with Virgin Money's regulatory obligations and as the payments were released quickly following this within a reasonable timescale - and I'm not aware of B suffering financially as a result of the checks - I don't think Virgin Money have acted unreasonably or done anything wrong here.

My final decision

For the reasons I've explained, I've decided not to uphold Mr D's complaint brought on behalf of B against Clydesdale Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask B to accept or reject my decision before 10 February 2026.

Caroline Davies
Ombudsman