

The complaint

Mr L complains Clydesdale Bank Plc trading as Virgin Money hasn't calculated the interest on his ISA correctly. He's also unhappy with delays.

What happened

Mr L has an ISA with Virgin Money with a substantial balance. He complained to Virgin Money that it hadn't calculated the interest on his ISA correctly. Virgin Money looked into his complaint – after Mr L chased – and said that it didn't agree it had calculated the interest on his ISA correctly. Virgin Money did, however, apologise and offered £50 in compensation for not picking up his complaint sooner.

Mr L was unhappy with Virgin Money's response and so complained to our service. One of our investigators looked into his complaint and initially said that Virgin Money had simply calculated interest using a different method but had done so correctly. Following further submissions our investigator agreed that Virgin Money had, in fact, calculated interest incorrectly. They awarded an additional £50 in compensation and asked Virgin Money to re-do its figures.

Virgin Money was unhappy with our investigator's recommendation and so it asked for this complaint to be referred to an ombudsman for a decision. The complaint was, as a result, passed to me.

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.

Earlier on this month I issued a provisional decision explaining why I agreed that Virgin Money had, in fact, underpaid Mr L's interest. The actual amount involved turned out to be small – just over £1. I did, however, say that had Virgin Money supplied its calculations earlier – and sent them to Mr L – this whole complaint could have been avoided. And I said that I thought it should have been avoided. So, I agreed with our investigator that an additional £50 in compensation was appropriate.

Both parties were invited to comment on my provisional decision. Mr L accepted it and confirmed that Virgin Money had paid him the interest amount I'd mentioned following my provisional decision, but not the additional compensation. Virgin Money didn't reply.

Having considered everything again, I remain of the view that Virgin Money should pay Mr L an additional £50 in compensation on top of the £50 it has already offered.

Putting things right

I'm going to require Virgin Money to pay an additional £50 in compensation on top of the £50 it has already offered. I'm satisfied that it has paid the interest due.

My final decision

My final decision is that I'm upholding this complaint and require Clydesdale Bank Plc trading as Virgin Money to take the steps set out above.

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

Nicolas Atkinson
Ombudsman