

The complaint

Mr R complains Clydesdale Bank Plc, trading as Virgin Money, restricted his account without warning nor explanation causing him substantive distress and inconvenience. Mr R adds this happened at a time he discovered he had a serious illness, and he has been discriminated against.

To keep matters simple, I'll refer mainly to Virgin Money as "VM" in the rest of my decision.

What happened

On 25 March 2023, as Mr R's account cards weren't working, VM blocked a payment of £50. After speaking to Mr R on the telephone to confirm its legitimacy, the payment was released.

Then on 31 March 2023, following an internal review, VM blocked Mr R's access to his account. Mr R's account was unrestricted on 14 April 2023, and he was able to withdraw around £4,300 a few days later.

Mr R then requested to close the account and withdraw the remainder of the balance in it. VM restricted Mr R's account again around 19 April 2023. Following its review, VM unrestricted the account and Mr R was able to withdraw his funds on 2 May 2023. Mr R's basic current account was then closed.

During the time these blocks were placed on Mr R's account he discovered he had a very serious illness. Mr R says not having access to his funds at this time meant he had to miss medical appointments to go into branch to try and sort the matter out.

Mr R also says that he and his partner were mistreated in branch and VM provided poor customer service and communication throughout. Mr R says that VM has discriminated against him due to his race.

Mr R complained to VM. In its final response, VM upheld part of Mr R's complaint. In summary, VM said:

- It apologised for Mr R having to make numerous calls and visits to the branch to try and resolve the issue
- Restrictions can be put in place for further checks on transactions, but the fact Mr R was left in the dark and didn't receive promised call backs is disappointing. And this would have been caused further distress given his circumstances at the time
- Because of the misinformation and delays, VM offered Mr R £100 as a form of apology

Unhappy with VM's response, Mr R referred his complaint to this service. One of our Investigator's looked into Mr R's complaint, and recommended it not be upheld. In summary, their key findings were:

- VM is entitled to block an account to review at anytime and it followed its standard

procedures in doing so

- VM's terms and conditions say it can close an account with two months' notice, or immediately in certain situations. And its not obliged to share its reasons for doing so
- Having looked at the evidence, VM hasn't treated Mr R differently to other customers
- The evidence shows VM's branch staff who were dealing with Mr R's query had sent numerous emails to the relevant team dealing with the account review. But they couldn't provide any further information to him, or allow any transactions whilst the review was still underway
- VM's offer of £100 compensation for the poor service and communication Mr R experienced was fair

Mr R didn't agree with what our Investigator recommended. In summary, he says:

- He closed the account with VM, because of the way the staff treated him, and his wife - and they felt discriminated against
- They were escorted out of the branch, and no compassion was shown especially given his circumstances

Amongst previously made points, our Investigator said the branch staff couldn't offer further assistance to Mr R at the time. They reiterated that discrimination didn't paly a part in VM's actions – and £100 compensation was fair.

VM confirmed a notice to close the account wasn't issued as Mr R had requested the closure. As there is no agreement, this complaint has been passed to me to decide.

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.

Having done so, I've decided not to uphold this complaint. I know this will disappoint Mr R, and I don't undervalue in anyway the sensitivity and challenging time he has been going through. So, I'll explain why.

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I do stress however that I've considered everything Mr R and VM have said before reaching my decision.

Banks in the UK, like VM, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means banks need to restrict, or in some cases go as far as closing, customers' accounts.

VM has provided this service with an explanation and information as to why it blocked Mr R's account in the way it did between March and April 2023. Having carefully considered this, I'm satisfied that it did so in line with its wider legal and regulatory obligations. Nor do I think it could have done anything different in this time especially given the serious health issues Mr R was to discover he had around that time.

With that in mind, I've also closely looked at whether VM has caused undue delay and so could have acted more expeditiously. But having reviewed the information VM has given me, and the actions it took against the timeline, I'm satisfied it hasn't caused unreasonable delay.

VM is entitled to close an account just as a customer may close an account with it. But before VM closes an account, it must do so in a way, which complies with the terms and conditions of the account. Mr R and VM have both confirmed that the account was closed because Mr R requested it to be. This also explains why Mr R continues to hold a savings account with VM.

As VM closed Mr R's account based on his request, I don't need to make a finding on whether this was done fairly.

Mr R says that VM acted in the way it did due to discriminatory reasons based on his race. I'd like to assure Mr R that I've very carefully considered everything he's said about this. And I want to make clear I do not doubt how genuinely he feels about this matter and the upset VM's actions have caused him.

But I've not seen anything which shows VM treated Mr R unfairly because of a protected characteristic. And while I appreciate this is his perspective, it is not my role to decide whether discrimination has taken place as a matter of law – only the courts have the power to decide this.

I have, however, considered the relevant law in relation to what Mr R has said when deciding what I think is the fair and reasonable outcome. Part of this has meant considering the provisions of The Equality Act 2010. But after doing so, I've not seen evidence to indicate Mr R was discriminated against on the grounds of his race. So I haven't found that VM's behaviour was improper.

Instead, and as I've said already, there are a large number of regulations and laws that financial businesses must take heed of in running customer's accounts. And it is in relation to those obligations that I find VM's decision to restrict Mr R's account was made.

Mr R says that he and his partner were mistreated in branch as they were escorted off the premises. It's clear from the information I've seen that Mr R went into branch and made several calls to try and get his funds released and obtain an explanation for VM's actions.

Firstly, VM is under no obligation to explain why it restricted Mr R's account in the way it did. I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information VM has provided is information we consider should be kept confidential.

I also haven't seen any compelling evidence that Mr R was mistreated in branch. From the information I've been provided I can see the staff member in branch was trying to contact the department reviewing Mr R's account, and they couldn't give him any more information about why this had happened. So though I appreciate the way Mr R felt, and the frustrations he was likely feeling, I can't find he was mistreated in the way he says.

However, VM accept that it failed to keep its call-back promises. I agree that this would have caused Mr R distress and inconvenience. VM offered Mr R £100 compensation for this, and I don't think it needs to do anymore.

VM has already offered this compensation to Mr R before the complaint was referred to this service. So it's now up to Mr R to accept this with VM.

My final decision

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 9 April 2024.

Ketan Nagla
Ombudsman