

The complaint

Mr B complains Clydesdale Bank PLC trading as Virgin Money (Virgin) failed to provide him with a one-time passcode to enable him to access his online accounts.

What happened

Mr B says he holds three online accounts with Virgin, one of which is an individual savings account (ISA). Mr B says in March 2020 Virgin added an extra layer of security meaning that a one-time passcode (OTP) would be sent when entering his password to access his online accounts. Mr B says he doesn't have a mobile phone but the correspondence he received from Virgin indicated the OTP could be sent to his landline.

Mr B says he attempted to access his accounts but didn't receive the OTP and when he contacted Virgin they advised him this was a problem with his telephone provider. Mr B says he changed his telephone provider but still couldn't access his online accounts or give instructions regarding his ISA as a result and this has been the case since the security changes took place in 2020.

Mr B feels Virgin acted fraudulently and deliberately locked him out of his online accounts so he couldn't access his accounts for over three years.

Virgin says in July 2020 it sent Mr B an OTP by email, but this was used incorrectly. Virgin says because of this Mr B would have needed to contact them by telephone to reissue a OTP but it hasn't heard anything from him since that time. Virgin says as it hadn't heard from Mr B, having sent him maturity instructions regarding his ISA in May 2021, his ISA matured into an easy access ISA in line with its terms and conditions.

Mr B wasn't happy with Virgin's response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator firstly says there was no evidence of fraudulent activity here and Mr B's money is sitting in an easy access ISA with Virgin and Virgin's final response letter provided Mr B with a number to call to obtain a OTP or find an alternative workaround.

The investigator didn't feel Virgin deliberately added the OTP protection to prevent Mr B accessing his accounts with them. The investigator felt that while Mr B had written to Virgin in June 2020, as it had spoken with him in July 2020 regarding his OTP issues, it wasn't unreasonable for it to have believed his problem had been resolved, given Virgin hadn't heard back from Mr B.

The investigator says he had been provided with evidence to demonstrate Virgin had sent Mr B an email in mid May 2021 with the maturity instructions and options available regarding his ISA, but as it hadn't heard back from Mr B it rolled the funds into an easy access ISA in line with the terms and conditions of the account.

Mr B didn't agree with the investigator's view and asked for the matter to be referred to an ombudsman 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.

Having done so, I won't be upholding this complaint and I will explain how I have come to my decision.

I can understand it would have been frustrating and upsetting for Mr B to be unable to access his online accounts with Virgin, as a OTP couldn't be sent to his landline telephone.

When looking at this complaint I will consider if Virgin could have done more to help Mr B with this issue and if it was responsible for why his ISA defaulted to an easy access ISA on maturity in May 2021.

Mr B's complaint centres around the fact, despite him writing and telephoning Virgin regarding the issue he faced obtaining access to his accounts because he wasn't receiving an OTP, Virgin did little to deal with the problem. Additionally, Mr B is concerned Virgin by creating the extra layer of security, have deliberately prevented him accessing his money and have acted fraudulently.

While I can see Mr B feels strongly about this matter and without trying to minimise the frustration this has caused him, I can see no evidence to suggest Virgin acted fraudulently here or deliberately put in place security measures to prevent Mr B accessing his funds. I say this because Virgin have informed this service Mr B's funds from his maturing ISA are held in an easy access ISA. Virgin says these funds have been there since May 2021, following the maturity of his previous ISA, given it had received no further instructions from Mr B, in line with the account terms and conditions.

I can see from Virgin's back office records a maturity email was sent to Mr B in mid May 2021 asking him to provide further instructions by 23 May 2021, and when nothing further was received from Mr B the ISA automatically matured into an easy access ISA, in line with the account's terms and conditions – so here I can't say Virgin have made an error.

As regards to the OTP issue Mr B has faced, it's worth saying banks like Virgin from time to time update its security procedures and in March 2020 it introduced the OTP layer of security – but it's fair to say this is done to protect customers from potential fraud, not to hinder its customer's accessing their bank accounts.

From the information I have seen, Mr B wrote to Virgin about this matter in June 2020, and while no direct response was sent about this, Virgin did discuss this issue with him subsequently in July 2020 following which the OTP was sent by email, but as no further communication was heard back from Mr B, it's not unreasonable for Virgin to have thought it had resolved the issue. As part of that telephone conversation, it was explained that unfortunately Mr B's original telephone provider had blocked text messages from Virgin, and I understand he went on to change that provider.

It's not clear why Mr B didn't follow up the issue regarding his account access after July 2020, but I'm mindful this was at the peak of Covid and that may have had a part to play here. That said, there's no evidence to suggest Virgin haven't tried to remedy the issue and in its final response letter it provided a contact number for Mr B to call, to try to help to resolve his problem and I'm satisfied that is a reasonable and fair option here and I suggest Mr B now considers contacting Virgin to discuss a workaround for his issues going forward.

While Mr B will be disappointed with my decision, I won't be asking anymore of Virgin.

My final decision

My final decision is that I do not uphold this complaint.

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

Barry White
Ombudsman