

The complaint

Mr P has complained that Clydesdale Bank Plc (trading as Virgin Money) has inadequate processes in place for verifying itself when making unexpected and unsolicited outbound calls to its customers.

What happened

The circumstances that led to this complaint are well known to both parties, so I won't repeat them in detail here. But, in summary:

- Mr P does not dispute that Virgin Money needs to undertake certain checks to ensure it is speaking with the correct and genuine customer before it discloses any information. And the bank has followed its internal processes when it's called him. But he's unhappy that there is no similar requirement or process in place for the bank to verify itself so that its customers can be satisfied they are being called by Virgin Money and not, for example, by a scammer.
- Virgin Money says it has followed its internal processes at all times and has offered to add an additional layer of security for Mr P so that in future calls he will have a way of verifying it is genuinely the bank who are calling him. Mr P is unhappy that this facility – or another suitable method of verification - has not been made public so that all customers can take advantage of it.
- Our Investigator concluded that Virgin Money had done nothing wrong. But Mr P remained unhappy, so the complaint has come 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.

Having done so, and while I realise this will come as a considerable disappointment to Mr P, I agree with the conclusions reached by the Investigator and there is little more that I can usefully add to what she has already said.

I appreciate Mr P's concerns given the increasing prevalence of telephone scams which have made consumers understandably wary about discussing and disclosing information about their finances over the phone. The efforts being made within the financial service sector – including by the Financial Conduct Authority (FCA) – and by the Information Commissioner's Office (ICO) to help combat the fraud being perpetrated by scammers are considerable. But there are not currently any specific rules and regulations in place around what processes banks should follow when making outbound phone calls in order to provide the verification and reassurance Mr P seeks.

I would also say that scammers are incredibly adaptable and, in my experience, they frequently find ways around the security processes that banks put in place. So no system or process is entirely failsafe.

I understand Mr P wants Virgin Money to change and/or improve its processes for all its customers. I would expect the bank to take on board Mr P's feedback and keep its processes under review. But my role here is to focus on the individual merits of Mr P's complaint.

With all of the above in mind, I cannot fairly tell Virgin Money to amend its outbound call processes and procedures. I'm pleased to see that the bank offered Mr P the option to add an additional layer of security which can be used during outbound calls. I have no reason to think it wouldn't offer the same option to other customers who express similar concerns. I note Mr P hasn't yet chosen to take the bank up on this offer. But this does seem to be a reasonable facility he could use to get some assurance and confidence that incoming calls purporting to be from the bank are genuine.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 28 March 2024.

Ruth Hersey
Ombudsman