

The complaint

Mr L complains that Clydesdale Bank Plc trading as Virgin Money placed a block on his account for no reason.

What happened

Mr L holds a credit card with Virgin Money. He updated his mobile number and home number and received an email from Virgin to say it had updated his information.

Mr L then tried to make a purchase online using his credit card. He received a six digit code to authorise the transaction but when he entered it the transaction was declined.

Mr L contacted Virgin and was advised that his card had been blocked and that he would need to provide certified identity documents. Virgin said it had written to Mr L outlining what documents it required but Mr L didn't receive the letters. When he did receive the letter, it didn't say what he needed to provide.

Mr L raised a complaint and asked Virgin to unblock his account.

Virgin upheld the complaint in part. It said the block had been placed on the account due to activity on the account. It said it couldn't provide specific information until Mr L had verified his identity. Virgin apologised for not providing Mr L with details of what he needed to provide to verify his identity. It offered compensation of £50.

Mr L remained unhappy and complained to this service. Our investigator didn't uphold the complaint. He said the account hadn't been blocked unfairly but there had been an error in the letter and the compensation was fair.

Mr L didn't agree. He said he'd followed the correct procedure to update his telephone details and hadn't received an explanation as to why his card had been blocked.

I reviewed the complaint and issued a provisional decision in which I said it was unfortunate that Virgin had only been able to explain why the account had been blocked after this service had become involved. I also said I understood why Mr L had been reluctant to provide documents to verify his identity without having received an explanation as to why the account had been blocked. I said that whilst Virgins explanation of why the account had been blocked was plausible, I thought that it could've handled things better at the time when the account was blocked. I said the impact on Mr L was that he'd been unable to use the card for several months. I said the compensation offered wasn't sufficient and asked Virgin to increase this to £250.

I invited both parties to let me have any further arguments they wished to raise.

Mr L didn't respond. Virgin responded and said it wanted to add some context to my comment that I understood why Mr L was reluctant to provide his documents. It said the block was to protect the account and that agents weren't able to provide any information about the account until Virgin was satisfied of the account holder status. Virgin said that until

Mr L provided the documents to verify his identity, he was never going to receive any explanation. Virgin said that it would issue the written apology that Mr L sought and agreed to the increased compensation of £250 total (£50 having already been paid).

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.

Mr L hasn't responded to my provisional decision. Virgin has accepted it. The comments made by Virgin – which I've set out above – don't change my view, so my final decision will be along the lines of my provisional decision.

Putting things right

To put things right Clydesdale Bank Plc trading as Virgin Money must pay total compensation of £250 (less credit for any sums paid already)

My final decision

Clydesdale Bank Plc trading as Virgin Money must pay total compensation of £250 (less credit for any sums paid already).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 4 April 2024.

Emma Davy
Ombudsman