

The complaint

Mrs R complains that Clydesdale Bank Plc trading as Virgin Money caused a data breach by sending details of her home address to her estranged husband. She says that although there have, so far, been no incidents of contact or harassment from her ex-husband, she has experienced a great deal of emotional distress and worry about what might happen now that he knows where she lives.

What happened

Mrs R became estranged from her husband in December 2019. She moved into a different property and has lived in the same place since. Mrs R says that since their separation, Mr R has not known her address. I won't explain the reasons why here in detail as it's important Mrs R can't be identified when my decision is published. But in summary, Mrs R says the relationship breakdown was caused by the financial and emotional abuse she suffered.

On 16 August 2023 during a call to Virgin Money, Mrs R changed her correspondence address from the mortgage property to her current address.

On 18 August 2023 Virgin Money sent a letter to both borrowers confirming the registered correspondence address for each person. Therefore, disclosing Mrs R's address to Mr R.

On 19 March 2024 Mrs R complained to Virgin Money about the data breach. She says the incident has caused a great deal of stress and anxiety and has triggered emotions and feelings that she has been receiving counselling for.

Virgin Money upheld the complaint and paid Mrs R £150 compensation for any distress and inconvenience caused. Mrs R didn't think this fairly compensated her in the circumstances, so she brought her complaint to the Financial Ombudsman Service. Since the complaint has been with our service, Virgin Money has increased its compensation offer by a further £100.

An Investigator looked into things and thought Virgin Money needed to do more to put things right. He thought that considering Mrs R's circumstances, Virgin Money should pay her a total of £2,000 compensation.

He said that Mrs R told Virgin Money that she had left an abusive relationship and made clear the importance of keeping her address confidential. He said that because of the data breach, Mrs R now lives with the worry of Mr R knowing where she lives and potentially turning up to her home – causing lasting psychological impact and increased anxiety.

Mrs R accepted the investigator's view, Virgin Money didn't. It said that while it accepts it made a mistake, it did not agree that Mr R was only made aware of Mrs R's address because of its letter. And so it did not agree that £2,000 was a suitable award in the circumstances.

Virgin Money said that in previous conversations that pre-dated the breach, Mrs R had told it that Mr R knew where she lived.

The investigator considered this point further. After discussing Virgin Money's response with Mrs R, he was persuaded that Mr R only knew that she had moved to the next town and not her exact address. As such, his opinion remained unchanged.

Because an agreement wasn't reached, the case was passed to me to decide. I issued a provisional decision. An extract of which can be found below:

"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 reached a different outcome to our investigator. I know this will come as a disappointment to Mrs R, but I agree Virgin Money's compensation award is fair and reasonable in the circumstances. I'll explain why.

The key facts about this complaint aren't in dispute. Virgin Money has accepted it got things wrong. So, the only issue I have to decide is whether what it has done to put things right, including the amount of compensation awarded to date, is fair and reasonable.

I've carefully considered everything Mrs R has said about how she's been impacted as a result, and how she should be fairly compensated in the circumstances. It's clear from what Mrs R has openly told us and Virgin Money – that she has been through a difficult time, and I truly empathise with her circumstances.

When making an award for compensation, I must decide what's fair and reasonable to both sides involved, giving careful consideration to all the circumstances of this case. I also think it's important to explain that, as a service, our awards are designed to compensate consumers – not punish businesses.

I've given careful consideration to all the submissions made by both parties, but I won't address each point that has been raised. I'll focus on the matters that I consider most relevant to how I've reached a fair outcome – in keeping with the informal nature of our service.

Mrs R says that Mr R only became aware of her address as a result of Virgin Money's letter. Virgin Money disagrees. It says that based on what Mrs R told it during previous conversations, it's not persuaded that this is the case.

Where the available evidence is incomplete, contradictory or missing, our rules require me to reach my conclusions on the basis of what I consider is most likely to have happened on the balance of probabilities. That's broadly the same test that the courts use in civil cases.

For me to uphold this complaint against Virgin Money and legally order it to increase its financial award to Mrs R, I'd need to be satisfied that the events complained of, more than likely happened in the way described by Mrs R. This would in turn allow me to determine what, if any, compensation should be awarded and the extent of the payment.

Having considered what both sides have said, I don't find there is enough evidence for me to say that, on balance of probability, Mr R only became aware of Mrs R's address as a result of the letter sent by Virgin Money.

Mrs R moved into her new address over four years ago and has lived in the same property since. Her new home is in the neighbouring town around a mile away from where Mr R continues to live in the mortgaged property.

I've listened to several key calls that are relevant to this case. On 16 August 2023 Mrs R called Virgin Money to make some general enquiries about the mortgage. During her call with the agent, she said "I'm alright now as he knows where I live, not that he would harm me. You just need head space for yourself". When asked about this, Mrs R told our investigator that Mr R only "roughly" knew where she lives.

During the call, Mrs R's call was transferred to a different agent to complete the change of address process. It's what she said during this call that I think is the key turning point here. During this call, Mrs R said, "I'm not panicking now, he bumped into my next-door neighbour, and he said you live next door to my ex".

When Mrs R brought her complaint to our service on 3 May 2024, she told our call handler that Mr R bumped into her neighbour and he said, "you live next door to my ex". She said this happened after the letter sent by Virgin Money and that's how she found out that Mr R knew her address – through her neighbour. But considering she told Virgin Money the same thing on 16 August 2023 – two days before the letter was sent, I'm not persuaded that this is the case.

Having considered everything – including the nature of the calls that took place with Virgin Money on 16 August 2023 and everything Mrs R said about Mr R knowing her whereabouts and her address – I'm not persuaded that it was because of Virgin's letter, that Mr R became aware of her address. I think it's most likely that Mr R knew Mrs R's address before the letter was sent. That leads me to consider what the suitable compensation award should be in this case.

It's important to highlight that our awards are not punitive. We don't seek to punish a financial business for any failings it may have made. Our compensation awards reflect the impact a mistake(s) had on an individual. For example, if a business makes a mistake, but there is minimal disruption to a customer's life, we might say that the business doesn't need to pay compensation. But if that same mistake had caused the customer some distress and inconvenience, we might say the business should compensate them for that. So, this is why we don't award compensation for the mistake itself, but we consider the impact of the mistake on the individual and whether an award is appropriate in the circumstances.

In Mrs R's case, I accept that Virgin Money did cause her some frustration by sending a letter containing her address to Mr R, especially after it was aware of her vulnerability, and it told her that her address details would remain confidential. But I can't reasonably hold Virgin Money responsible for the full extent of the impact described by Mrs R – because I don't think it was due to its error that Mr R knew her address.

Lastly, Mrs R has confirmed that Virgin Money's letter hasn't triggered any incidents of contact or harassment from Mr R. Mrs R has raised a hypothetical scenario about what could happen in the future. However, my role is to consider what has actually happened and I cannot reasonably direct Virgin Money to pay any award for distress and inconvenience based on any consequences its error may or may not have in the future.

As such, when considering appropriate compensation, I think in the circumstances Virgin Money's offer of £250 fairly compensates Mrs R.

My provisional decision

My provisional decision is that I uphold this complaint and direct Clydesdale Bank Plc trading as Virgin Money to pay Mrs R a total of £250 compensation. I understand it has already paid her £150, so to settle this complaint it should pay her a further £100."

The deadline for the parties to respond to my provisional decision has passed. Virgin Money didn't respond with any further comments for my consideration.

Mrs R responded to say that she mistakenly thought that the communication between Mr R and her neighbour happened after he received Virgin Money's letter. Whilst the event described did take place before Virgin Money sent the letter, Mr R only had an idea of where she lived. Her neighbour did not confirm that she lived next door and so he did not know her address for definite – he was trying to narrow it down.

I'll now proceed to issue my final decision on this matter.

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.

I've thought carefully about what Mrs R has said in response to my provisional decision. Having done so, I've not seen any reason to depart from my provisional findings.

Having considered everything I'm persuaded that Mr R already had sufficient knowledge of Mrs R's address before he received the letter from Virgin Money. And so, I can't reasonably say that, on balance, it was solely because of Virgin Money's letter that Mr R came to know where Mrs R lived or hold it responsible for the extent of the impact described by Mrs R.

My final decision

My final decision is that I uphold this complaint and direct Clydesdale Bank Plc trading as Virgin Money to pay Mrs R a total of £250 compensation. I understand it has already paid her £150, so to settle this complaint it should pay her a further £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 30 September 2024.

Arazu Eid
Ombudsman