

## **The complaint**

Mr M complains Clydesdale Bank Plc trading as Virgin Money didn't treat him fairly when he had difficulties making repayments to his credit card account.

## **What happened**

The investigator set out the background to this complaint in detail, so I won't repeat it again here. Instead, I'll focus on the reasons for my 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.

There's a great deal of correspondence on this complaint and many complaint points have been raised. I will, however, focus on issues which are - in my opinion - relevant to reaching a fair outcome to this complaint. This isn't meant as a discourtesy. It simply reflects the informal nature of our service.

Mr M had a credit card account with Virgin Money. In brief, Mr M could borrow against the account limit and in return Virgin Money would charge interest and receive at least a minimum repayment each month. Mr M borrowed about £20,000 against the account limit.

In late 2020 Mr M told Virgin Money he had mental health concerns and was out of work. Virgin Money agreed to waive interest and accept reduced repayments. I'm satisfied Virgin Money provided Mr M with satisfactory support here as its actions allowed Mr M to focus on other bills without his debt with Virgin Money increasing.

Things didn't go so well going forward though. Mr M received letters about arrears which prompted him to make contact and he wasn't always given helpful explanations around what would happen to the account, including whether it would ultimately default.

In the latter half of 2021 and early 2022 there was a great deal of contact between Mr M and Virgin Money. Having reviewed this contact between the parties holistically, I'm satisfied Virgin Money tried to be supportive, such as by clarifying where the account stood, apologising for things Mr M felt he'd been let down on and paying compensation. But despite good intentions, Virgin Money made some further mistakes, most notably when it told Mr M the account wouldn't default until his complaint was resolved but then later sent a default notice because of an administrative error.

Mr M has been understandably frustrated by Virgin Money's actions, and given his mental health, I can understand why the impact of these mistakes would have had a greater impact on him than might have been the case for others. But Mr M is holding Virgin Money solely responsible for some very serious things.

Mr M says Virgin Money's administration of his account and the way it communicated with him exacerbated his mental health illness and led to him making several attempts to take his

own life. He says this led to him being unable to start work and therefore caused him significant financial loss. I'm saddened to hear Mr M felt the way he did, and I accept Virgin Money's mistakes wouldn't have helped matters.

An unsecured credit card debt where the lender isn't robustly pursuing a borrower for repayment wouldn't ordinarily, in and of itself, have the impact Mr M says it had on him. Virgin Money's mistakes were, relatively speaking, minor and of a customer service/administrative nature. And Mr M has disputes with other financial services providers and appears to have made similar complaints.

I'm not persuaded I can fairly conclude Virgin Money's actions - on their own - had the impact Mr M says they had, or that if I were to conclude they did, said impact would have been reasonably foreseeable to Virgin Money such that it could be held accountable. It follows I can't fairly require Virgin Money to compensate Mr M for his alleged loss of earnings (or any other costs for that matter, such as medical costs) stemming from his health concerns or his attempts to take his own life.

Mr M has also asked me to require Virgin Money to compensate him for some other things. He says he incurred £6,000 costs for legal expenses when he had concerns about the account defaulting. It's unclear to me what his legal assistance achieved, but regardless, I haven't been provided with enough evidence to persuade me that was a necessary and proportionate step to take in light of Mr M's wider circumstances and that the complaint was being considered by our service. It follows I can't fairly require Virgin Money to pay these costs. Mr M says he broke his phone and needed to pay for a replacement which cost £449. While I'm sorry to hear he broke his phone, I don't find Virgin Money can fairly be held responsible for it.

Now, I'm not saying Virgin Money didn't make mistakes for which it should put things right. However, in late 2021 Virgin Money reviewed matters and made an offer, which, when combined with previous offers, meant in total it would do the following:

- Write off Mr M's credit card account balance of £19,501.96;
- Pay him £700 compensation; and
- Reimburse £1,200 in medical fees.

Considering what I've set out above, I'm satisfied the offer is fair and reasonable in all the circumstances of this complaint as it is significantly more than I would have required of Virgin Money had the offer not been made.

I'm aware Mr M has some concerns around how the account will show on his credit file. My understanding is it's showing as settled and arrears are showing in the months leading up to the account closure. Mr M says he could have avoided arrears from April 2021 onwards by borrowing money to pay off his balance, *if* he'd been correctly advised by Virgin Money.

I don't accept this was the case. It's clear Mr M is keen to avoid adverse information being recorded on his credit file and he knew not making contractual repayments would result in arrears being recorded. So it stands to reason if Mr M could, with support, have repaid his balance to avoid arrears being reported, he would have. Ultimately Mr M didn't make his contractual repayments in the months leading up to the account closure. I'm therefore not going to require Virgin Money to record something different.

Mr M may be disappointed with the outcome I've reached on his complaint. But this final decision ends what our service can do for him. However, he can reject my decision and pursue the matter elsewhere if he wishes to do so.

**My final decision**

I uphold this complaint and require Clydesdale Bank Plc trading as Virgin Money to do as it's offered, if it hasn't ready done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 20 June 2022.

James Langford  
**Ombudsman**