

## **The complaint**

Ms W is unhappy Clydesdale Bank Plc, trading as Virgin Money, let her open a second credit card and request a balance transfer from her existing credit card when this wasn't in fact possible.

## **What happened**

In January 2021 Ms W applied for a new card as she wanted to transfer her balance from her existing card before the promotional interest rate ended. She requested the balance transfer as part of the application and received email confirmation the following day. She says she called Virgin Money in October 2021 to ask when the promotional rate on her second card was ending. She says it was only then that she discovered no transfer had happened. She says Virgin Money told her that balances could not be transferred from one Virgin Money card to another so her balance had remained on her existing card. It said this restriction on balance transfers was made clear in a pop-up window during the application process and elsewhere and in the Q+A section on its website.

Ms W says she should never have been sent the email confirmation and Virgin Money ought to have contacted her to let her know she could not transfer the balance. She says she saw no pop-up window alerting her to the restriction during the application process and that if there was a pop-up window this isn't a clear way to alert applicants, and that it discriminates against neurodivergent applicants. Ms W says she would never have gone ahead and applied had she been alerted to the restriction and had no reason to look in the Q+A section of Virgin Money's website.

She wants Virgin Money to refund all interest accrued on her initial card since the promotional offer ended and to be able to transfer the capital to another card issuer. She would also like compensation for the worry and inconvenience.

Our investigator issued two assessments. She said it was made clear at the point of application that balances could not be transferred from any other cards issued by Virgin Money. And this is also set out in the terms and conditions of Virgin Money's credit card accounts. She said the bank recognised the confirmation email it sent was misleading and for this it had paid Ms W £50 compensation which she felt was fair.

Finally, she explained that Ms W would need to arrange a balance transfer with a new provider, this was not something Virgin Money could initiate. Ms W responded saying, in summary, Virgin Money should have better processes to prevent account holders going through an experience such as hers. The investigator then revised her view to recognise the confusion and worry Virgin Money's poor communication had caused Ms W. She recommended it pay Ms W a further £150 compensation, and the bank agreed.

Unhappy with this assessment, Ms W asked for an ombudsman's review. She said £150 does not recognise the financial impact this has had on her – she has paid over £800 in interest as a result of Virgin Money's failings. It must refund all interest charged since 20 January 2021 when she tried to transfer her balance to the new card. And she asks for an apology to acknowledge the harm this has caused her.

## **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 am upholding Ms W's complaint in part. I would first say this is a finely balanced case as there are things Virgin Money could have done better, but equally I have to take into account that it was some nine months before Ms W realised the balance transfer had not successfully completed. Despite, for example, receiving statements in the meantime for her existing account that showed the balance hadn't transferred and despite Virgin Money continuing to charge her interest every month.

I am satisfied that Virgin Money set out that balances cannot be transferred between its products. It did this in the terms of Ms W's initial account, and there was an information box that appeared in the balance transfer section during the application process for the second card. It is also explained in the Q+As on its website although I find this is less helpful as it's not an integral part of the card application process.

Ms W is not sure if the information box is the pop up she saw as she hasn't been able to locate a certain screenshot she took. But if it was, she still has concerns about how that box presented the restrictions. She says it should have been on the main page, and in bold using bullet points – not hidden, and in brackets using a smaller font. I do take on board Ms W's comments that there are ways the information could have been better presented and made more accessible for all account holders. But I can't fairly find Virgin Money neglected to tell its applicants about the BT restrictions.

Ms W also explained how she found it unhelpful that she was able to enter the card number for her existing product as part of the process and feels the application system should not allow this. The bank explained this is because the balance transfer process does not start until the application is accepted and transferred to its live system. That is its process. I anticipate this will frustrate Ms W, but our role is to decide if, in the individual circumstances of each case, the bank made a mistake and if so how it should put right any detrimental impact – rather than to review the bank's processes or systems.

With regards the confirmation email Ms W received that she'd successfully transferred her balance, Virgin Money explained that this would have listed all successful balance transfers after explaining the transfer had been successful and that Ms W's email didn't list any successful transfers – just said that the transfer had been successful - because there were no successful balance transfers meaning that section of the email was blank. But it accepts this could be misleading – and I agree. However, it has compensated Ms W for the confusion this caused her.

In these circumstances I don't think it would be fair to instruct Virgin Money to refund all interest charged from the date of Ms W's attempted balance transfer. The bank has acted in line with the terms of its products. And I have to consider that whilst Virgin Money's initial communications weren't perfect, Ms W continued make her monthly repayments on her existing card for over nine months before discovering the balance transfer had not gone ahead. An account holder has a responsibility to check their statement each month (clause 8.2 in the terms and conditions). I am aware Ms W paid by direct debit but that does not change this obligation not least because she should have also seen the money to pay the interest charges leaving her current account. So I think there were things Ms W should have done which would have alerted her to the status of the requested balance transfer and could have minimised the interest costs on her existing card.

I do see though that the confusing email and lack of proactive contact from the bank after

she applied for the balance transfer were part of the cause of the avoidable worry and confusion for Ms W when she spoke to the bank in October. In her circumstances I find that the recommended additional £150 compensation is fair. Virgin Money has already apologised to Ms W for the misleading email.

Ms W also raised the issue of discrimination. In terms of discrimination, it is for the Courts to determine if a business has acted unlawfully. Our role is to decide what's fair and reasonable in all the circumstances of each particular case. In reaching that decision, we will consider various factors including relevant law and what we see as good industry practice from the time.

So although it's for the Courts to say whether or not Virgin Money has breached the Equality Act 2010, I'm required to take it into account, if it's relevant, amongst other things when deciding what is fair and reasonable in the circumstances of this complaint.

I did so as part of my review of this case. But for the reason I've set out above, from what I have seen I don't think that Virgin Money's actions were, in the round, unfair.

### **Putting things right**

Virgin Money must pay Ms W £150 compensation.

### **My final decision**

I am upholding Ms W's complaint in part. Clydesdale Bank Plc, trading as Virgin Money, must put things right as set out above

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 18 October 2022.

Rebecca Connelley  
**Ombudsman**