

The complaint

Mr R complains that he couldn't transfer a balance directly from a card account he already held to his new account with Clydesdale Bank Plc trading as Virgin Money. Mr R said he had to open another card and transfer the money there first, incurring fees.

What happened

Mr R told us he wasn't able to do a balance transfer from a different card account to Virgin. He said that nowhere in the terms of his Virgin card did it set out that this wouldn't be possible. Mr R had to move the balance elsewhere, and said he had to pay high charges as a result. He wanted compensation for that.

When this complaint came to us, Mr R said Virgin still hadn't responded to his complaint. So he wanted us to take that into account too.

Virgin said it could only do balance transfers from UK cards, and the details of Mr R's card suggest it isn't registered in the UK. Mr R has said he's always been a UK customer of this other card provider, and Virgin hasn't suggested that Mr R ought to have been aware of this potential problem with this particular card.

Virgin has explored with Mr R how he's been impacted by this, and Mr R told it he hadn't expected to have to pay any fee to transfer the money. Virgin was offering fee-free balance transfers at the time. But when Mr R couldn't transfer directly to Virgin, he opened a third card account, and moved the money there. He had to pay a 1% fee to do that. Mr R was then able to transfer the funds from this third card, to Virgin.

Virgin checked that Mr R hadn't paid any additional interest, and he said he hadn't. Although Mr R couldn't provide evidence of the fee he'd paid (because he'd then closed the account again) Virgin said it would pay Mr R the £82 he said he'd been charged.

Virgin said it was sorry it hadn't managed to speak to Mr R directly about this complaint before his case came to us. IT wanted to pay him £100 for that.

Our investigator said what Virgin had already offered was fair.

Mr R said he would accept the return of the fee he'd been charged on the third card, but he thought Virgin should pay more for the delay in resolving this matter. He'd made numerous calls to chase this (17 in total) but not got any updates, just false promises that things would be resolved soon. He said the offer of £100 should be increased as a result. Mr R wanted his complaint to be considered by an ombudsman, so it was passed to me for a final 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.

I've reached the same overall conclusion on this complaint as our investigator.

I do think it's unfortunate that Mr R opened this card account with Virgin intending to make a transfer, and having reasonably understood he could do so, then found he couldn't. I'm glad he has found a way around this. And I'm pleased to see Virgin has offered to refund the extra costs that Mr R incurred in doing that. I think that provides a fair and reasonable outcome to this part of Mr R's complaint.

Mr R also wanted us to consider how long it had taken to get any sort of a resolution to this complaint. I should set out that our service isn't able to consider complaints which are solely about complaint handling by a bank – that doesn't fall within our jurisdiction. So I'm considering this as part of the overall complaint Mr R has made about Virgin, taking account of how long it took for the issues he's raised to be resolved.

I can see from his discussions with Virgin that he just wanted it to sort things out, and was frustrated that it wouldn't just do so. But, like our investigator, I do think that a payment of £100 provides a fair and reasonable outcome to this part of Mr R's complaint.

I know Mr R thought Virgin should pay more, but what I'm doing here is reviewing his case, and making an award. When I do that, I assess Mr R's complaint in full, and set that against the background of account of awards our service has made in other cases. It's on that basis that I've reached the decision that Virgin should make a compensation payment of £100 – because I think that's what's appropriate in this case.

It doesn't look like Virgin has already made a payment to Mr R. But in case it has, I'll allow it to count compensation it's already paid for this issue, towards the award I'm making now.

My final decision

My final decision is that Clydesdale Bank Plc trading as Virgin Money must pay Mr R £82 to cover fees he's paid elsewhere, and it must pay him £100 in compensation. Clydesdale Bank Plc trading as Virgin Money can count towards that total any payment it has already made for this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 14 October 2022.

Esther Absalom-Gough

Ombudsman