

## **The complaint**

Mrs W complains that Clydesdale Bank Plc trading as Virgin Money gave her wrong information which led to her promotional interest rate being lost.

## **What happened**

Mrs W was accepted for a Virgin Money credit card which offered an interest free promotional interest rate on balances for 20 months. In October 2021, she made her minimum payment to them and she noticed on their application (app) that the minimum payment was still showing that it needed to be paid.

Mrs W says she gets paid on the 28<sup>th</sup> of every month, so at the end of the month she made another payment. She then realised in November that the payment she had made at the end of October had not been allocated to the following statement, therefore, she had paid two minimum payments in one month.

Mrs W rang Virgin Money. She told them that she wouldn't be paid until after the payment due date, so she asked them if her payment date could be changed for when she got paid. The call handler explained that it was too late to amend the payment due date, but they would note on the system that she would be paying on 28 November instead. Mrs W asked the call handler if this would affect her promotional interest rate. She says the call handler checked with a manager and informed Mrs W that it shouldn't affect the promotional interest rate, but if it does, to call them back and they can speak with the promotional rates team.

Mrs W says that while she was overseas, she received her new statement, which showed a late penalty fee and she had also lost her promotional interest rate. As Mrs W could not wait to resolve this when she returned home, she rang Virgin Money. They told her that they would remove the late penalty charge and then they continued to put her on hold and pass her to different teams to then be advised there was nothing they could do. Mrs W made a complaint to Virgin Money.

Virgin Money partially upheld Mrs W's complaint. They said that they removed the promotional offer in line with their terms and conditions as the payment received was late. But they said they gave Mrs W misleading information on the phone call on 16 November as they told her that the offer may fall off, as opposed to telling Mrs W that the offer would have been withdrawn, which would have prompted her to ensure the payment was made. Virgin Money said there was a known issue with call waiting times and they made customer's aware of this on their website that there could be long waiting times of up to one hour. They said this was also communicated on pre-recorded messages on their phone lines.

Virgin Money said as an outcome of the complaint they would reinstate the promotional offer. They had also refunded the interest applied and they added an interest waiver to allow the reinstatement to be actioned, and to ensure no interest was charged to the next statement. The refunded interest totalled £224.33.

Mrs W brought her complaint to our service. She said she wanted to be compensated for the phone call on 26 November as she rang from abroad whilst she was on holiday. She also

said she wanted to be compensated for the inconvenience this caused her, which caused her a lot of stress and anxiety.

Our investigator did not uphold Mrs W's complaint. She said that Virgin Money accepted that she was provided with misleading information on 16 November. Whilst the agent was correct in saying the offer was still in place at the time, they should've been clearer about the offer being removed. She said although Mrs W was passed to different departments to resolve her issue, Virgin Money had made her aware of the potential outcome in her call on 16 November and that she knew that making her payment late would mean she may need to call them to discuss the promotional offer again. She said it was unfortunate Mrs W was abroad at this time, but it would not be fair for them to cover the costs of the call.

Mrs W asked for an Ombudsman to review her complaint. She said that had she been advised that the promotional rate would be lost then this would have saved the inconvenience and financial loss she had during this timeframe as she would have arranged to cover the minimum payment. But because this wasn't made clear to her, she was led to believe if the promotional rate was affected, then she just needed to call back and this would be rectified. Mrs W said that there were unnecessary delays in Virgin Money resolving her complaint.

I attempted to mediate the complaint. Mrs W said that she wanted £100 for distress and inconvenience and for Virgin Money to pay the cost of her call when she was abroad. Mrs W sent a copy of her phone bill to me, which showed a call cost of £101.52 to a UK mobile number. Virgin Money agreed to pay the £100 for distress and inconvenience, but they did not agree to pay Mrs W's call costs. They said it is not their policy to pay for customer calls and that the call that incurred the cost was to a mobile number in the UK and is not the call in question to them. Virgin Money did not dispute that Mrs W may have experienced a long call due to the fact their agents engaged with colleagues to help Mrs W.

Mrs W disputes that the call to them on 26 November was not the call to Virgin Money. She said the clocks went back from the end of October, so they would have been five hours behind in the country she was ringing from. She says this was the only call she made to them on this date and she was passed to multiple departments.

As my findings differed in some respects from our investigator's, I issued a provisional decision to give both parties the opportunity to consider things further. This is set out below:

*"I must explain to Mrs W that complaint handling by a business isn't a regulated activity and as such, the issues she's raised that relate directly to how Virgin Money have investigated her complaint such as how long they took to resolve her complaint, do not come under my powers to consider.*

*Both parties agree that on the call on 16 November 2021, Mrs W was given misleading information as they told her that the offer may fall off, as opposed to telling Mrs W that the offer would have been withdrawn, which would have prompted her to ensure the payment was made. I've listened to the phone call and there is an expectation set that Mrs W may need to ring them back if the offer was withdrawn.*

*Mrs W explains to the call handler that she had already made a payment on 28 October when she was paid, but she didn't realise her new statement hadn't come out. She told the call handler she didn't have any money until she got paid on 28 November, which would be shortly after the payment due date. The call handler explains she won't be able to change the due date until the following month, but she would put a "promise to pay" on the system to say Mrs W would pay on 28 November, which would "stop the collection calls moving forward".*

*Mrs W asked if this would stop her promotional interest rate based on the terms and conditions of the account. The call handler says the promotion isn't showing on her end, but she would check with her manager, if the offer is lost whether it could be reinstated due to her making a double payment in the previous month. After speaking to her manager, the call handler says "so what we can do, is I can put the promise to pay on until the 28<sup>th</sup>, you can make the payment and then what we can do is have a look to see if the promotion has been lost. If it has, then what to do is give us a call back and we'll speak to our promotions team, just explain what's happened, and just see if we're able to get that reinstated going forward for you."*

*Mrs W asks how she'll know if she has lost her promotional rate. The call handler asks if she has access to her app, which Mrs W confirms she does. The call handler tells her that it will show on her next statement that interest will have been added. She says "so if you see that's been added, then what to do is to give us a call back erm, and then we can speak to our promotions team and just explain what's happened erm and then we can see if we can get that updated." The call handler says she'll leave a note on the system so a colleague can see what's happened.*

*Mrs W asks the call handler if the call handler thinks there'll be a case where the promotional rate won't be reinstated. The call handler replies "again, it's just down to the criteria that we've got, erm, they might just look at it, because it's just a slight couple of days, erm, they might just reinstate it as a goodwill gesture."*

*So after listening to the call, the call handler neither confirmed that it was guaranteed Mrs W could have the offer reinstated if it was lost or confirmed that the offer would be definitely lost. But what she did make clear on the call on at least two occasions is that Mrs W would have to ring them back if she did lose the offer.*

*So while the call handler may have set an expectation that Mrs W may be able to get the offer reinstated if it was lost, she also set an expectation that Mrs W would need to ring them if it was lost. She also confirmed to her that they would need to speak to their promotions team. So I'm satisfied that there would be an element of Mrs W being transferred to a different department to enable her to get the offer reinstated - if Virgin Money agreed to this.*

*I've considered what Mrs W has said about the time difference and that the call on her phone bill was to Virgin Money. And it does appear that the call on her phone bill was to them, despite this being to a UK mobile number. I say this as Mrs W had provided me a screenshot of her hotel arrival and departure dates, which details the hotel she is staying in. In the part of the country she was in, they operate on Eastern Standard Time, which is five hours behind Greenwich Mean Time (GMT). So what I'm persuaded has happened here is that Mrs W rang Virgin Money at 9:40AM GMT and she was in a queue for approximately 17 minutes before she was connected to the call handler, who completed the security at 9:57AM and that is why there is a system note with this timestamp on it. So I don't dispute that Mrs W was on the call for as long as her phone bill shows she was.*

*I know the strength of feeling Mrs W has about the phone call she made while she was abroad and that this should be refunded to her. But I'm not persuaded this would be proportionate and I'll explain why. As the call handler had set out on more than one occasion that Mrs W would need to ring them if the offer was lost, then I can't hold Virgin responsible for any call costs Mrs W has incurred by ringing them while she was abroad.*

*I understand that Mrs W rang them on 26 November as the situation was causing her stress and great anxiety, but she would have been aware from the call on 16 November that she would always need to ring them back if the offer was lost. Virgin have listed a telephone*

number on their website for customers to call them if they are abroad, but Mrs W rang a mobile number, which may have been charged at a higher cost. I've looked at Mrs W's statements, and no mobile contact number is listed on the statements if she needed to contact Virgin Money.

Mrs W returned from abroad in early December. So there would have been plenty of time to contact Virgin Money on her return before her following statement was issued, to make them aware that she had lost her promotional rate and to see if they could reinstate it. In addition, the call handler on 16 November informed Mrs W that they would need to speak to their promotions team, so the indication was not that a call handler could simply reinstate the offer. So as Mrs W chose to call them whilst being abroad, I'm not persuaded it would be fair for Virgin Money to pay for the call costs here when they could've been avoided.

I've considered what Mrs W has said about if she had been advised that the promotional rate would be lost then she would have arranged to cover the minimum payment. And therefore this would have saved her inconvenience and financial loss. But the call handler at no point guaranteed Mrs W that the offer would be reinstated. So I'm persuaded that this was not a foregone conclusion that the promotional rate would be reinstated. If Mrs W was in a position to make the minimum payment prior to the due date, she could have made the payment which would have avoided the phone call that the call handler told her on a couple of occasions she would have to make if the promotional offer was lost.

So I've considered what Virgin Money have done to resolve this complaint. They had reinstated the promotional offer and refunded the interest charged, including applying a waiver to the following months statement to ensure no interest was charged. But I'm not persuaded that this recognises the impact of what happened here. And I'll explain why.

On the phone call on 16 November, Mrs W explained to the call handler that the terms and conditions showed that she might lose the promotional offer if she made a late payment and she was concerned about this. So I'm persuaded that the call handler should have confirmed that this was the case. From listening to the phone call, I do think the call handler was trying to be helpful, by changing the following months due date and by setting a promise to pay, and leaving notes on the system about their discussion, but this unintentionally did cause Mrs W inconvenience when she did lose the promotional rate, even though an expectation was set that she would need to call back to see if this could be reinstated.

And I can see that when Mrs W did ring back on 26 November, she was passed to different departments and there were two noted occasions where agents spoke with colleagues between speaking to Mrs W. I'm persuaded that although the call handlers were trying to assist Mrs W on 26 November, the call handler added notes onto the system on 16 November to explain the situation. So by Mrs W (and the call handlers) needing to speak to other colleagues to try and rectify this, it would inconvenience Mrs W further. And Mrs W wasn't able to get the promotional rate reinstated on this call.

So I'm satisfied that it would be proportionate for Virgin Money to pay Mrs W £100 compensation for the inconvenience caused by the issues detailed above. I'm satisfied it reflects the impact that the call on 16 November had on Mrs W where the call handler gave her the impression the offer might be able to be reinstated (although she would have to call them and they would need to speak to the promotional offers team first) and the inconvenience she faced on the call on 26 November, despite notes being left by the original call handler to explain the situation. So it follows I intend to ask Virgin Money to put things right."

I invited both parties to let me have any further submissions before I reached a final decision. Mrs W accepted the provisional decision. Virgin Money did not respond to the provisional 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.

As neither party have provided me with any further information to consider, then my decision and reasoning remains the same as in my provisional decision.

### **Putting things right**

In my provisional decision I said I intend to uphold this complaint in part. I said I intend to ask Clydesdale Bank Plc trading as Virgin Money to pay Mrs W £100 for distress and inconvenience. I'm still satisfied this is a fair outcome for the reasons given previously.

### **My final decision**

My final decision is that I uphold this complaint in part. Clydesdale Bank Plc trading as Virgin Money should settle the complaint in line with the instructions in the *"putting things right"* section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 28 December 2022.

Gregory Sloanes  
**Ombudsman**