

The complaint

Miss M has complained that Clydesdale Bank Plc trading as Virgin Money failed to update her address which resulted in her receiving late payment fees and adverse information being recorded on her credit file.

What happened

The details of the complaint are well known to both parties, so I will not repeat them again here. Instead, I will focus on giving 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.

Having done so I agree with the investigator's findings for broadly the same reasons. I will explain why.

- On 17 August 2021 Miss M called Virgin Money to complete a money transfer. She has explained that she also wished to set up a direct debit and was under the impression this had been done successfully. Virgin Money said that Miss M terminated the call, as such no Direct Debit was set up. I have reviewed the evidence provided and it appears the call was terminated prior to Miss M providing her details. As such no direct debit was set up.
- I have also reviewed the terms and conditions of the account and they say:

“Each month there is a payment into or out of your account or there is a payment due on your account, we will let you know that there is a free statement which you can view and download in the app. If you have also requested a free paper statement we will post it to you.”

- Prior to completing the money transfer Miss M would have needed to ensure she had read the terms and conditions of the account. As such, I am satisfied she would have been aware that each month there was a payment due on the account and that she ought to be receiving paper statements (if she selected to do so).
- With that in mind, I think it is unreasonable to suggest, that due to her not receiving the paper statements, she would have been unaware that the direct debit hadn't been set up on her account. And as such, she was unaware she had missed payments. I say this because, Miss M ought to have realised she hadn't received paper statements (if she had requested a free paper statement) and she also had the option to check her statements on the app. She would have also seen that direct debits were not being taken from her bank account to Virgin Money.
- The terms and conditions of the account also say that Miss M must notify Virgin

Money if she doesn't receive a statement or she is unable to access her statements. I appreciate that Miss M did contact Virgin Money on 13 November 2021, but as she failed to pass security, her address was not updated. Miss M did not successfully update her address until 22 February 2022. As no payments were made during this time, late payment fees and interest were applied to the account, in line with the Terms and Conditions. Therefore, I can't say Virgin Money acted unfairly in doing so and I won't be asking them to refund any further charges or interest.

- As late payment fees were applied to the account correctly, Virgin Money have a duty to record accurate information to credit reference agencies. As such, I won't be asking it to do anything further in relation to the data it has provided to those credit reference agencies.
- Virgin Money has acknowledged that there were areas of the service it provided which had fallen below its service standards. It accepted its call waiting times were longer than it would have liked them to be and that Miss M received contradictory information about whether the promotional rate would be reinstated (the terms of the account say that the promotional rate will be removed if the minimum payment is not received). Because of this, it agreed to refund interest applied to the account between February 2022 and November 2022, reinstated the promotional offer and offered £50 for the distress and inconvenience it caused.
- Our investigator felt a higher amount of compensation was warranted due to the issues Miss M had trying to raise a complaint and the time taken for Virgin Money to investigate the complaint. He recommended a total amount of £150 should be paid to Miss M. Virgin Money agreed but Miss M remained unhappy and wanted all interest and charges refunded dating back to 17 August 2021.
- Having listened to the calls and considered how long it took for the issue to be resolved I do agree that Virgin Money made some errors with the service it provided. However, I feel that £150 recognises the distress and inconvenience Miss M experienced. I am also pleased to see that Virgin Money reinstated the promotional offer (which it didn't need to do as the terms of the agreement had been broken) and refunded interest. So overall, I am satisfied Virgin Money doesn't need to do anything further

Putting things right

So, with the above in mind, I agree that Virgin Money should pay Miss M a total of £150 for the distress and inconvenience it caused. However, I don't require it to do anything further.

My final decision

My final decision is that I uphold this complaint and require Clydesdale Bank Plc trading as Virgin Money to pay Miss M a total of £150 for the distress and inconvenience she experienced.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 7 February 2023.

Jade Rowe

Ombudsman