

The complaint

Mr C has complained about the poor level of service he received from Clydesdale Bank Plc (trading as Virgin Money) in relation to a blocked credit card payment.

What happened

On 24 January 2022 Mr C was trying to buy a car for £4,500 using his credit card. The payment was declined at the car dealership. Mr C then received a call from Clydesdale shortly afterwards to explain that a temporary block had been put on the card. He was given a number for the fraud department that he could ring to get the block removed. However, when Mr C rang this number he found that the department had closed for the day. He was therefore unable to complete the purchase of the car at that point.

Our investigator upheld the complaint and recommended that Clydesdale should pay £200 compensation for the distress and inconvenience caused.

As Clydesdale didn't respond to the investigator's assessment, the complaint has been passed to me for a 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.

Mr C had opened the credit card account a couple of weeks previously with an agreed credit limit of £5,000. As such, it was reasonable that such a large transaction, on a new card, should flag up on Clydesdale's fraud detection system.

As mentioned above, Clydesdale did then ring Mr C. But this was after 4pm, and it should have known that the department that it advised him to ring closed at 4pm. It was only when Mr C rang Clydesdale the following day to say that he'd be re-attempting the purchase at around 5pm on 28 January 2022, that he was told there was actually an out-of-hours number that he could have used.

Mr C was also told that it would be worth ringing that number just in advance of the planned transaction on 28 January 2022 to ensure that the payment would go through, as it couldn't guarantee that its automated systems wouldn't once again block it. Mr C attempted to do so but was unable to get through due to long waiting times. Fortunately, the transaction went through anyway on that occasion.

Mr C was put to a lot of trouble due to not being given the out-of-hours phone number on 24 January 2020. Firstly, there was the embarrassment of having the payment declined at the car dealership. Secondly, he had the inconvenience of having to make a second, long round trip, to the dealership later in the week. And thirdly, he spent time trying to get hold of Clydesdale on the phone on 28 January 2022 and had the extra stress of not knowing if the payment was going to be declined again.

Overall, based on the available evidence, I agree with our investigator that £200 is a reasonable and proportionate amount of compensation for the distress and inconvenience caused to Mr C.

My final decision

For the reasons set out above, I uphold the complaint and require Clydesdale Bank Plc (trading as Virgin Money) to pay Mr C £200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 31 March 2023.

Carole Clark

Ombudsman