

## **The complaint**

Mr N complains about the customer service he received from Clydesdale Bank Plc, trading as Virgin Money, when he was unable to use his credit card while abroad.

## **What happened**

The details of this complaint are well known to both parties, so I won't 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 conclusions reached by the investigator for the reasons I've outlined below.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and consider it but because I don't think I need to comment on it to reach what I believe is the right outcome.

When Mr N was recently abroad a payment he tried to make using his credit card was refused and the card was blocked. Mr N said this caused him embarrassment, forcing him to make international calls, at his own expense, to Virgin Money to see what the problem was. He said he couldn't use the card for the remainder of his time abroad to prevent a similar uncomfortable situation with another retailer. He also wasn't told why the transaction was flagged and lost Virgin Points because he had to use another card.

When Mr N applied for his card he signed an agreement, and in doing so agreed to be bound by its terms and conditions. In those terms and conditions it says:

*6.9. We do not guarantee you will always be able to use your card or card details. We will not be liable for any loss you, or an additional cardholder, may suffer as a result.*

*16.1 In some circumstances, we may prevent or limit the use of your card or card details, decline a transaction or transfer whether authorised by you, or a permitted third-party provider, or refuse to issue a replacement card, including where:*

- a card is lost or stolen, or we suspect unauthorised or illegal use.*
- we reasonably consider there is a risk you will not be able to repay us (even when you are paying the Minimum Payment).*
- the transaction differs from your normal spending pattern, exceeds your credit limit or we have other security concerns (like we have a good reason to think there is something suspicious about the supplier).*

I'm satisfied that Virgin Money was working within its terms and conditions when it blocked Mr N's card after the transaction was flagged.

I do understand Mr N's frustration with having his card blocked while travelling. But Virgin Money has a legal responsibility to safeguard its customers' money and prevent fraudulent transactions. It's not my role to look at a business's processes so I'm not able to comment on why the transaction was blocked. Virgin Money has said this was part of its security process. In being vigilant, such a security process will flag innocent transactions occasionally.

I accept that it was inconvenient for Mr N and he wanted Virgin Money to contact him especially as he had to make international calls. Virgin Money has said that for certain flagged transactions its policy is to ask customers to contact it as part of the security. Again this is not something I am able to look at. But I think it's a reasonable expectation that customers contact their bank when the card has been blocked.

Virgin Money has accepted the agent who dealt with the transaction did not follow the appropriate steps when dealing with the triggered transaction, so it was flagged again. It said this second one shouldn't have been blocked. Mr N said he lost points because of having to use an alternative card as well as incurring the expense of international calls. I'm pleased to see that Virgin Money has offered to reimburse Mr N on production of a call receipt as well as the offer to reimburse points.

Mr N has provided a copy of his statements as evidence that he wasn't able to accrue points or leverage other benefits of using the Virgin Money card. Mr N said he didn't try to use the card again to prevent a similar uncomfortable situation with another retailer. It's not clear to me that if Mr N had contacted Virgin Money again after the second block whether the situation would have been resolved. It's possible it would have been, and he would've been able to use the card again.

Mr N is concerned that from his initial complaint lodged on 20 December 2022, it took Virgin Money 12 weeks and six days to provide its final response on 20 March 2022. He also said notwithstanding his explicit requests for email correspondence, Virgin Money opted for postal communication, many of which failed to reach him. Virgin Money has accepted that while it did send regular complaint communication it failed to send the final response letter within eight weeks. It said with regards to sending correspondence, it is regulated to send its customers certain correspondence in writing. It said its able to send correspondence to its customers via their favourable method, however on this occasion it noted that Mr N had not advised it of his favourable method and all lines of communication were open to him.

I can see the address on the letters is the same address Mr N has given this service. I'm satisfied Virgin Money sent the letters but it wouldn't be fair of me to hold it responsible for the letters not being delivered or received by Mr N.

Mr N has asked for his annual fees to be refunded, for additional compensation and a credit of over 4,000 points. Virgin Money has already paid Mr N £75 compensation. It has offered to refund the cost of the calls and points on receipt of evidence. Mr N has said his statement shows credit available of £3,062.47, which, at a rate of 1.5 points per pound, equates to a loss of approximately 4,594 Virgin points. I don't agree that this is evidence of lost points. I'm not persuaded that having the available credit necessarily means he utilised that amount of credit, or even intended to do so, on another card.

The fees Virgin Money charges for its credit card is part of its business process and not something I can investigate or use as a financial remedy. Our investigator recommended an additional £175 compensation for the distress and inconvenience Mr N incurred and while I

realise this will disappoint Mr N, I believe this is fair and reasonable in the circumstances.

Mr N also complained about an email he received following an application to increase his credit limit. It declined the credit limit increase. Virgin Money said this was sent in response to a duplicate credit limit increase application. Mr N had already successfully applied for a credit limit increase, so this email was declining the duplicate application. I understand this email may have been confusing for Mr N but I don't think Virgin Money has done anything wrong.

### **Putting things right**

To put things right Clydesdale Bank Plc, trading as Virgin Money, must:

- Pay Mr N £125 in compensation.
- Reimburse Mr N for international call charges to Virgin Money while abroad, 23 December 2022 to 6 January 2023. Mr N must provide receipt to Virgin Money for any calls.
- Reimburse Mr N for any lost points subject to providing suitable evidence.

### **My final decision**

My final decision is that I uphold this complaint and 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 Mr N to accept or reject my decision before 29 February 2024.

Maxine Sutton  
**Ombudsman**