

## **The complaint**

Mrs T complains that Clydesdale Bank Plc trading as Virgin Money declined transactions on her credit card.

## **What happened**

Mrs T says that she is unable to use her Virgin Money credit card for transactions with certain merchants and when these issues arise, she isn't sent a text or link to verify the payment. Mrs T first experienced the issue when attempting a payment to a travel agent in February 2023. She contacted Virgin Money about this and Virgin Money said the issue was with the merchant, but Mrs T says that her friend was also making a payment with the same merchant using their Virgin Money credit card and they didn't experience an issue. Mrs T made the payment without issue using a different credit card. Mrs T says she has experienced this issue on other occasions and thinks the problem arises when 3D secure verification is needed.

Virgin Money issued a final response dated 28 April 2023. It noted that Mrs T had attempted a payment several times in February 2023, but the transaction couldn't be completed. It said this was due to the merchant's 3D secure operating systems not allowing the transaction to be authorised.

Mrs T wasn't satisfied by Virgin Money's response and referred her complaint to this service. Our investigator initially didn't uphold this complaint but after being provided with further details, he said that Virgin Money should investigate this issue further and help rectify it for Mrs T. He recommended that Mrs T be paid £250 compensation for the inconvenience she had been caused and receive any reward points that she would have earned had this issue not arisen.

Virgin Money didn't accept our investigator's view. It said that for a transaction to go through the merchant is required to validate this through 3D secure which will trigger a onetime passcode to be used to validate the transaction or the customer will be asked to validate the transaction in their mobile app. It said that the merchant Mrs T was trying to make payment to didn't use these methods, so the transactions were declined. It didn't accept that this issue had arisen through any error by Virgin Money.

Mrs T didn't accept that compensation of £250 was enough given the hours she had spent trying to resolve this issue with Virgin Money and the lack of help she had received. She also noted that the credit card cost her £160 to obtain.

## **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.

Mrs T has a Virgin Money credit card, and I can understand why she is frustrated that she

hasn't been able to use this credit card to make certain transactions and has needed to use her credit card from another provider. She has explained that as well as the inconvenience, she has lost out on reward points.

For me to uphold this complaint I would need to find that the issues causing Mrs T's transactions to be declined are due to issues caused by Virgin Money rather than any issue with the merchant. Where the evidence is inconclusive, inconsistent or incomplete, I make my decision based on the balance of probabilities. That is, what I consider most likely to have happened given the information provided and the wider circumstances of the complaint.

Mrs T first experienced an issue when trying to make a payment to a travel agent in February 2023. She made several attempts at the transaction, but it was declined. Mrs T says she wasn't sent a one-time passcode or provided with another means to verify the payment. Mrs T has shown that she has the mobile app set up and the profile includes her mobile number. Therefore, I cannot say that there would be an issue with her receiving a one-time passcode or validating a transaction through the app. However, this option wasn't provided to her.

Virgin Money said that the payment was declined due to an issue with the merchant. It said that the merchant Mrs T was trying to pay did not use the methods required to validate the transaction. However, Mrs T has said that while she was trying to make her transaction a friend was able to use their Virgin Money credit card to pay the same merchant and that when she used her other credit card to make the payment to the merchant, she had to verify the transaction. Mrs T has also said that this issue has occurred with other merchants even though she is aware of other people with Virgin Money credit cards who are able to carry out the transactions.

Our investigator requested Virgin Money to provide further details to show that the travel agent didn't use the necessary method to validate the transaction and also provide evidence in regard to the other merchants that Mrs T had experienced issues with, but no further evidence was provided.

Having considered the evidence provided by both parties, it seems on balance, that there could be an issue with Mrs T's Virgin Money credit card regarding transactions involving 3D secure verification. As Mrs T has the app set up and a mobile number in her profile, I cannot say these are a cause for the problem (and if this was the case then I would have expected Virgin Money to have identified this when Mrs T first made contact). As transactions have been declined with different merchants and Mrs T has been able to use a credit card from another provider to complete the transactions declined by Virgin Money (and these have needed validation) it seems more likely than not that the issue is with Virgin Money rather than the merchants. So, while I cannot say what has caused the issue that resulted in Mrs T's transactions being declined, I think that Virgin Money should have done more to assist Mrs T and to investigate and resolve this issue.

I understand that Mrs T doesn't think the compensation recommended by our investigator is enough given the time she has spent dealing with this issue and the cost of obtaining the credit card. But in this case, I think the £250 recommended along with the appropriate reward points is a fair resolution to this complaint. I say this because while Mrs T has been caused inconvenience, she has been able to make her transactions using another credit card. I appreciate the time she has spent trying to resolve this issue but taking everything into account I think £250 is a reasonable amount of compensation for this.

Mrs T has said that she feels that reward points related to all of her spending on her other credit card should be applied to her Virgin Money account. While I note Mrs T's comments

about her feeling she couldn't use her Virgin Money credit card due to the issues, I find it fair that only reward points linked to transactions that were attempted on Mrs T's Virgin Money card and declined should be awarded. I say this because it was Mrs T's choice to use her other credit card in the other instances and I find it fair that I only require Virgin Money to take action where there was an issue with the transaction being declined.

Our investigator also said that Virgin Money should further investigate the problem with Mrs T's credit card to find a resolution. However, Mrs T has said that given the issues she has experienced she has now cancelled her Virgin Money credit card. Because of this, the issue is no longer ongoing and so I find this part of the redress is no longer relevant. I note Mrs T's comment that she still wants an explanation as to why the issue arose but, in this case, as the credit card has now been cancelled, I find that the payment of compensation and the allocation of reward points provides a fair resolution to this complaint.

### **Putting things right**

Clydesdale Bank Plc trading as Virgin Money should pay Mrs T £250 for the upset and inconvenience this issue has caused her and apply the reward points to Mrs T's account on any transactions that were declined due to the issue of the 3D secure verification.

### **My final decision**

My final decision is that I uphold this complaint. Clydesdale Bank Plc trading as Virgin Money should take the actions set out above in resolution of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 13 May 2024.

Jane Archer  
**Ombudsman**