

The complaint

Ms H complains about the difficulties she's had making payments towards her credit card with Clydesdale Bank Plc, trading as Virgin Money, without attracting interest.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my 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.

I was sorry to hear about the difficulties Ms H has had. It's clear she was doing her best to avoid paying interest but having considered all of the evidence I don't think Virgin Money have done much wrong, and I'm not asking them to take any further action. I know that will be disappointing for Ms H, so I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

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 think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

It is for Virgin Money to decide how to allocate payments made towards their consumer's credit card debt. They explain how they do that in the statements they provide and in the terms and conditions for the credit card (section 12).

I can see Ms H was trying to pay off any interest bearing payments but as those payments hadn't appeared on her statement yet the money she paid towards the debts were allocated to her interest free balance transfers. The details of what was paid to what debt were well set out by our investigator and I won't repeat them other than to say I agree.

Having reviewed the way payments Ms H made were allocated to her debts I can't see that Virgin Money did anything wrong.

Ms H was confused about why the business were paying off interest free debts first. I've considered the calls she had with Virgin Money where Ms H says she was given the wrong advice. I don't think that's true as the agent on the call of 10 July 2023 did explain that payments made towards the account would go towards higher interest debts first, and the agent on the call in late July 2023 did read through what was on the statement in respect of payment allocation. But I don't think the agents were able to clearly explain things for Ms H. Ms H left the call on 10 July 2023 explaining everything wasn't clear, but she would work it out. And on the later call she wanted to speak to a manager for clarification.

I've thought about how that unclear communication impacted Ms H. It wouldn't be fair to suggest she was given incorrect information and I note that the correct information was available on the statements that the second agent referred her to. But Ms H could have expected a clearer explanation and I think Virgin Money were right to note she had experienced some distress and inconvenience. They offered to pay her £150 and, in all the circumstances, I think that was sufficient. I'm not, therefore, asking Virgin Money to take any further action.

My final decision

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 10 May 2024.

Phillip McMahon
Ombudsman