

## **The complaint**

Mr K complains that Clydesdale Bank Plc trading as Virgin Money (Virgin) added a late payment mark to his credit file.

## **What happened**

Mr K has a credit card from Virgin. On the statement issued on 27 September 2022, the limit was £1,000 and the balance was £993.13. The minimum payment of £25 was to be taken by direct debit on 17 October 2022.

The direct debit was returned unpaid and Mr K's credit file marked with a missed payment.

Mr K called Virgin on 8 November 2022 and the payment date was rescheduled to 1<sup>st</sup> monthly. The next direct debit due was then £25 on 17 November 2022 - which was paid. And then 1 January 2023 and 1<sup>st</sup> monthly after that.

*Mr K complained.* He says he called Virgin in October 2022 and asked that the date of the direct debit be changed and because of that, the payment was missed. But he wasn't told there would be a missed payment recorded. He said the missed payment mark is unfair and should be deleted from his credit file.

*Virgin said:*

- The direct debit payment due on 17 October 2022 was returned unpaid. Mr K's credit file was marked with a missed payment.
- Mr K called Virgin on 8 November 2022; and he agreed to make a 'manual' payment on 1 December 2022 to clear the arrears of £25. But he didn't do that.
- But because later on, three consecutive monthly payments were made, the bank 're-aged' the account. This meant that from 28 February 2023, there were no further arrears reported to Mr K's credit file.
- Virgin paid compensation of £20 to resolve Mr K's complaint.

*Mr K brought his complaint to us.* Our investigator didn't uphold it. She said the direct debit was returned unpaid on 17 October 2022.

She said that on the call on 8 November 2022, the payment date for the direct debit was changed to 1<sup>st</sup> monthly (with effect from 1 January 2023) and the direct debit for £25 would still go through on 17 November 2022. Mr K didn't make the extra payment on 1 December 2022 as he was advised to.

So – she said Mr K's account remained in arrears and his credit file was correctly marked.

## **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.

The crux of this complaint is that Mr K maintains that he called Virgin in October 2022 to reschedule the payment date of the direct debit – and the bank agreed to do that. He says that meant the next direct debit payment was made later and that caused a missed payment which was recorded on his credit file.

I asked Virgin for their call log to see if a call was made by Mr K in October 2022. The bank showed us that there wasn't a record of such a call. Mr K did call the bank's automated response service on 22 October 2022 – and he checked his balance and the last five transactions. But he didn't speak to an agent.

So, I'm persuaded there wasn't a conversation between Mr K and Virgin in October 2022.

I can see the direct debit was returned unpaid on 17 October 2022. Mr K has shown us his bank statement for that date and it shows a credit balance of £102.93 – so it's not clear why the direct debit wasn't paid. But – that's not something I can hold Virgin responsible for as it was a decision made by Mr K's bank (nor would Virgin be made aware of the reason for the returned direct debit). Mr K might like to speak to his bank to find out what happened.

It is clear that Mr K then had a call with Virgin later on – on 8 November 2022 and I listened to the call. On it:

- Mr K asked why the direct debit on 17 October 2022 hadn't been paid – the call handler couldn't say why.
- Mr K then decided to change the date of the direct debit to 1<sup>st</sup> monthly – the next one to be made on 1 January 2023.
- Mr K was told the existing direct debit for £25 would still go through on 17 November 2022; and he should make a manual payment of £25 on 1 December 2022 to clear the arrears of £25.

But unfortunately, I can see that Mr K didn't make the manual payment on 1 December 2022, and the arrears were then accumulated. So – I'm satisfied that Virgin correctly recorded the missed payment on Mr K's credit file – as they must record accurate information on all customer credit records.

Therefore, in summary, while I accept that Mr K will be disappointed by my decision, I am not asking Virgin to do anything here. **(continued)**

## **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 20 August 2024.

Martin Lord  
**Ombudsman**