

## The complaint

Miss P complains that Clydesdale Bank Plc, trading as Virgin Money ("Virgin Money") approved a credit card for her when she could not afford it.

## What happened

Miss P applied for a credit card in July 2022. It was approved and her first credit limit was £1,500 with a starting balance of £500 from a balance transfer. No credit limit increases were offered or made. Due to problems repaying the account, the card got into arrears. Miss P says it should never have been given to her. Miss P did not want there to be a default status on her record.

After Miss P had complained to Virgin Money months ago, she received a final response letter from Virgin Money dated 5 April 2024. It didn't uphold her complaint about the lending decision. But it accepted it ought to have managed her account better including her request for the balance to be written off. In April 2024 Miss P still owed Virgin Money. It offered her £75 for the distress and inconvenience of not having managed her account well.

One of our investigators did not think that Virgin Money had done anything wrong in relation to the approval of the card in July 2022. And as for the other elements of her complaint, he considered that the £75 offered was satisfactory. Miss P did not agree. The complaint was passed to me for a decision.

Since it was passed to me, I understand that the current status of the card account is Virgin Money complied with Miss P's request to write off the balance of about £1,700. The card account is closed.

So, I wrote to Miss P about this and her response was:

*'But I still haven't been refunded the interest and charges and compensation for opening the account when they shouldn't...'*

Miss P is aware that the £75 offered in the FRL was for being sent to the incorrect department.

On 9 September 2024, I chose to issue a provisional decision to explain the situation so far as the complaint is concerned. My provisional decision was that I was not going to ask Virgin Money to do more.

That is duplicated here so that the parties have easy access to it.

*I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*Even if I were to determine that Virgin Money did something wrong, the method to put things right would have been a refund of interest and charges onto the credit card. So that would have reduced Miss P's outstanding balance to be just the credit she'd used to buy things. Usually, I'd expect that amount to be repayable to Virgin Money. I feel that I need to explain*

*to Miss P that the refund of any interest and charges would not have been cash into her bank account.*

*Now that Virgin Money has written off the card balance – which included the purchases made plus all interest and charges – then this is a better outcome than she would have got with an uphold from me. It's fair and reasonable of Virgin Money to have done what it has done. Miss P has asked me to look at it again as she wants me to direct Virgin Money to pay her more for compensation for having issued her the card in the first place. But I do not consider that fair or reasonable. So, I do not intend to ask Virgin Money to do more.*

*The £75 Virgin Money offered for distress and inconvenience for the issue surrounding not referring her to the specialist department to assist her is a fair sum. And I understand it is available for Miss P to claim from Virgin Money.*

I gave time for both parties to respond.

### **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've not heard from either of the parties.

Having reviewed the complaint again then I maintain that the outcome Miss P has received from Virgin Money is a good one and I make no direction for it to do more than it has already. If Miss P wishes to claim that £75 she should approach Virgin Money directly.

### **My final decision**

My final decision is that I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 22 October 2024.

Rachael Williams  
**Ombudsman**