

The complaint

Miss S has complained that Clydesdale Bank Plc, trading as Virgin Money, didn't respond to a letter she wrote to it in June 2023, explaining her financial difficulties and asking it to write off her credit card debt. To put things right, she'd like it to refund all interest charged since June 2023.

What happened

Miss S wrote to Virgin Money in June 2023, explaining that she was experiencing severe financial difficulty, and this situation was unlikely to improve in the near future. She also explained the significant effect the debt was having on her wellbeing. So, she asked Virgin Money if it would write off the debt.

Unfortunately, Virgin Money didn't respond to the letter. Miss S maintained her minimum repayments, and there was no further contact about the matter until January 2024. This was in the form of a 'live chat', during which Miss S was given a number she could call for assistance. But there's no evidence she did so.

One of our investigators looked into what had happened. He didn't think Virgin Money was obliged to write off the debt. And he also thought it was reasonable for it not to freeze interest, without having a fuller picture of Miss S's finances.

However, he said it was clear that Miss S was vulnerable and needed help, and Virgin Money should have responded to the letter, advising Miss S about what help was available and next steps.

That said, he was also mindful that Miss S hadn't chased things up, and the next contact was around six months later. And she was given a number to call, but it doesn't seem she did.

On balance, he thought that Virgin Money should pay compensation to Miss S for its part in what happened. He noted it had already paid £50 and felt a further £100 was fair.

Miss S disagreed, so her complaint's been passed to me.

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 our investigator, and for the same reasons he gave. There is nothing I can meaningfully add to his reasoning, which I adopt here. However, I think the compensation should be slightly increased, to a total of £250. This is to reflect that after Miss S wrote such an open, personal and important letter, it was very distressing not to receive a response. I think £250 more accurately reflects this.

Miss S took a courageous and important step in contacting Virgin Money, and this shouldn't be underestimated, given her wellbeing at the time. I sincerely hope that matters are

improving and continue to improve for her.

Putting things right

To put things right, Virgin Money should pay Miss S a total of £250 compensation. It may deduct any sums it has already paid. It must also carry out an income and expenditure assessment, if it hasn't already, and respond positively and sympathetically to Miss S's circumstances.

My final decision

For the reasons given above, it's my final decision to uphold this complaint. I require Clydesdale Bank Plc, trading as Virgin Money, to take the actions set out above in the section entitled 'Putting things right'..

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 24 April 2025.

Elspeth Wood
Ombudsman