

## **The complaint**

This complaint is about a mortgage and linked current account that Mr and Mrs D held until recently with Clydesdale Bank Plc trading as Virgin Money (VM). The complaint arises from what happened when they repaid the mortgage in July 2023.

## **What happened**

I won't set out the full background to the complaint. This is because the history of the matter is set out in the correspondence between the parties and our service, so there is no need for me to repeat all the details here. In addition, our decisions are published, so it's important I don't include any information that might lead to Mr and Mrs D being identified.

So for these reasons, I will instead concentrate on giving a brief summary of the complaint, followed by the reasons for my decision. If I don't mention something, it won't be because I've ignored it; rather, it'll be because I didn't think it was material to the outcome of the complaint.

On redemption of the mortgage in July 2023 Mr and Mrs D thought both accounts had been closed; in fact the current account remained open albeit with a zero balance. VM received a call for funds under a regular payment instruction. This was refused for lack of funds, a fee of £4 debited, and a marker added to Mr and Mrs D's credit files. Mr and Mrs D say the latter has caused them problems with other creditors, most notably a credit card provider reduced Mr D's credit limit from a little under £12,000 to £100 (later raised to £200).

VM apologised for the mistake, removed the fee and the credit file marker, offered £200 compensation and provided a "letter of comfort" that Mr and Mrs D could show to their creditors as evidence they weren't to blame

Overall, the Investigator thought this was fair and reasonable. She wasn't persuaded that VM needed to contact Mr and Mrs D's creditors directly, or that VM could be held liable if creditors didn't reinstate previous arrangements. Mr and Mrs D asked for the case to be reviewed by an ombudsman.

## **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.

This isn't a case where I have to decide fault; VM has accepted that already. What I need to decide is whether VM needs to do more than it has already done to put things right. Having considered everything that's been said and provided, I'm satisfied VM has done all I'd expect it to do. Overall, I think the total redress comprising an apology, removal of the fee and credit file marker, the provision of a comfort letter and £200 compensation is fair, reasonable and proportionate in the circumstances.

Whether and how Mr and Mrs D's other creditors might have responded to the recording of the marker, or indeed to VM's letter of comfort absolving Mr and Mrs D from blame, is a matter for those financial businesses.

If Mr and Mrs D aren't happy with the decisions of their other creditors, they have the option of complaining to the businesses in question. If Mr and Mrs D are dissatisfied with the responses they receive, they could refer those complaints to this service for consideration in their own right.

### **My final decision**

My decision is that this complaint should fairly be resolved by Clydesdale Bank Plc trading as Virgin Money, if it has not already done so, paying Mr and Mrs D £200. I make no other order or award.

This final decision concludes the Financial Ombudsman Service's review of this complaint. This means that we are unable to consider the complaint any further, nor enter into any discussion about it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs D to accept or reject my decision before 23 December 2024.

Jeff Parrington

**Ombudsman**