

## The complaint

Mr B complains that Clydesdale Bank Plc trading as Virgin Money misled him about non-sterling transaction fees.

## What happened

Mr B has a Virgin Atlantic credit card provided by Virgin Money. Mr B's explained that he looked at Virgin Money's website and it gave the information *Take your card on holiday and enjoy no foreign exchange fees on spending in Europe*.

Mr B visited Switzerland and used his Virgin Atlantic credit card, making a payment in Swiss francs. Virgin Money later applied a non-sterling transaction fee of £7 to Mr B's credit card.

Mr B complained to Virgin Money and said he'd used his credit card in Switzerland which forms part of Europe. Mr B added that when he checked Virgin Money's website he found the terms and conditions didn't define Europe as a continent but as a set of countries using certain currencies. Mr B said the information Virgin Money provided online was misleading and that its use of hyperlinks was confusing. Mr B asked Virgin Money to refund the non-sterling transaction fee and compensate him for the inconvenience caused.

Virgin Money issued a final response but failed to do so within the normal eight week period allowed to respond to a complaint. In its final response, Virgin Money said its website clearly set out what countries customers could use their credit card without incurring non-sterling transaction fees. Virgin Money advised that Switzerland doesn't form part of the EU or EEA and, as a result, transactions made there attract a non-sterling transaction fee. Virgin Money didn't agree its website was confusing and didn't uphold Mr B's complaint about the non-sterling transaction fee he'd been charged.

Virgin Money paid Mr B £25 in recognition of the delay in responding to his complaint.

An investigator at this service looked at Mr B's complaint. They weren't persuaded Virgin Money misled Mr B or provided unclear information about non-sterling transaction fees online. Mr B asked to appeal and said that to resolve his complaint he wanted Virgin Money to change the way it explains the way it charges non-sterling transaction fees. Mr B added that the £7 fee he'd been charged was a secondary issue that was largely irrelevant to the outcome of his case. As Mr B asked to appeal, his complaint has been passed to me to make a 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've been reasonably brief in setting out the timeline above as all parties broadly agree concerning what happened. I understand Mr B looked at Virgin Money's website before travelling and saw information that said non-sterling transaction fees wouldn't applied in

Europe. But Virgin Money says the website and its credit card terms provide a clear explanation of when non-sterling transaction fees will and won't apply.

Mr B's explained he found Virgin Money's reference to Europe online to be misleading and I can understand why he feels that way. Switzerland falls within the territory of Europe but isn't part of the EU or EEA. And Virgin Money's website says no foreign exchange fees will be charged on spending *in Europe*. But that's not the only information Virgin Money gives online. When looking at the website, the words *no foreign exchange fees on spending in Europe* are hyperlinked. When hovering over those words, a message automatically pops up that says *Foreign transactions have a 2.99% fee. This does not apply to transactions in Euros, Swedish Kronor or Romanian Lei made within the European Economic Area (EEA)*. So I'm satisfied that whilst the headline information could have been clearer, the specific information about where non-sterling transaction fees will apply was easily available and clearly set out – not buried in the account terms. I also note that the next piece of information Virgin Money provided on its website was *Terms and restrictions apply*.

I'm sorry to disappoint Mr B as whilst I agree Switzerland forms part of the continent of Europe, I haven't been persuaded that the information Virgin Money provided was unreasonably confusing or unclear. I'm satisfied the full details of when non-sterling transactions fees will and won't be applied was reasonably set out by Virgin Money online and haven't been persuaded it treated Mr B unfairly.

Even if I were to agree with Mr B that the information Virgin Money provided was unreasonably misleading (which I don't), I should explain that as a service we have no powers to tell a business to change the way it operates. The Financial Ombudsman Service is an informal dispute resolution service that was set up as a free alternative to the courts. Where we identify a financial loss caused as a result of an error or misleading information provided by a business we can award compensation to reflect a financial loss caused as a result. We can also award compensation, where appropriate, to reflect distress and inconvenience caused by an business' actions. But we aren't the industry regulator, that's the Financial Conduct Authority, and have no powers to direct a business to change the way it operates. So whilst I understand Mr B wants us to tell Virgin Money to amend the way its non-sterling transaction fees are reported online, that's simply not something I can do.

I'm very sorry to disappoint Mr B but I haven't been persuaded to uphold his complaint. Whilst I accept Mr B's point that Switzerland is in Europe, I'm satisfied Virgin Money provided the relevant details about when non-sterling transaction fees will and won't apply on its website and that the information was accessible and easy to understand.

### **My final decision**

My decision is that I don't uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 3 January 2025.

Marco Manente  
**Ombudsman**