

The complaint

Ms A complains that Clydesdale Bank Plc trading as Virgin Money ("Virgin") did not manage her chargeback claim properly, failed to communicate with her and re-debited the disputed sum without prior notice. She also says that her luggage was damaged.

What happened

On 28 August 2023 Ms A and her family suffered delays on a return flight to the UK. She says the aircraft suffered technical issues and they arrived home some 15 hours late. She considered the airline to have been negligent in its handling of the delay and its staff and other airport workers to have been unhelpful.

Ms A submitted a claim to Virgin on 19 September 2023. It asked for further information in a letter dated 24 January which Ms A only received on 1 February. This gave her until 7 February to reply and provided an envelope which was too small. Ms A responded by email and Virgin issued a letter on 8 March declining her claim on the basis the airline had not breached its terms and conditions.

On 13 March a statement was issued which showed she owed £479.01. The following statement issued on 14 April 2024 added the disputed amount back and showed she owed £1,574.11 payable by 7 May 2024.

She complained and Virgin, while it didn't agree that it was wrong to decline the claim, paid Ms A £75 for failings in its service standards. Ms A brought a complaint to this service where it was considered by one of our investigators who didn't recommend it be upheld.

Ms A didn't agree and said that due Virgin's shortfalls in communication she didn't know if it had taken into account the full information she had supplied. Furthermore, it hadn't given her enough time to respond due to the letter not arriving until a few days before the deadline.

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.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving disputes informally.

I have every sympathy with Ms A, but I do not consider I can uphold her complaint. I will explain why.

Firstly, I should set out how chargeback claims work. Chargeback allows for a refund to be made of money paid with a credit or debit card in certain scenarios, such as when goods have been paid for and not received. A consumer cannot insist on their card company attempting a chargeback, but I would expect it to attempt one, as a matter of good practice, if there was a reasonable prospect of succeeding and to do so would be compliant with the rules of the card scheme to which the card belongs.

In Ms A's case I am satisfied Virgin reviewed the material she supplied and reached the conclusion that a chargeback had little or no chance of success. Having reviewed the evidence I think that was a reasonable conclusion to have reached. The terms and conditions of the airline state: *"At any time after a Booking has been made, we may need to change our schedules or cancel, divert, deny boarding or delay any flight. This may include changes for reasons of safety, required regulatory approvals, or for other commercial or operational reasons."*

I gather the plane due to fly Ms A and her family home suffered a hydraulic leak and it was deemed to be unsafe to fly. A replacement aircraft took time to arrive leading to a delay of 12 hours and 20 minutes. I appreciate this caused Ms A inconvenience and I have noted she has health issues, but under the rules for chargeback I cannot see that there was a breach of contract.

I note Virgin considered a claim under section 75 Consumer Credit Act 1974. When someone makes a payment on their credit card, in order to make a valid section 75 claim against their credit card issuer they need to have used the credit card to pay a company they have a claim against for breach of contract or misrepresentation. Section 75 gives the debtor (the credit card account holder) the same claim against their credit card issuer as they would have against the supplier of goods or services, so long as that claim is for breach of contract or misrepresentation.

However, I cannot see that there was either a breach of contract or misrepresentation. So that means there was no basis of a claim under s.75.

As for the short deadline I cannot hold Virgin responsible for any delay in the postal service. I have seen from its internal records that the letter was issued on 24 January and given there is time pressure to make a chargeback it was reasonable for Virgin to have given Ms A a deadline. I note she was able to respond by email.

Ms A is also concerned that she was placed under pressure to find the money to pay the sum which was re-credited to her account. Virgin acted correctly in placing a hold on the disputed sum and it the released this back when Ms A's claim was declined. Virgin had told Ms A that the sum would be payable if the claim was unsuccessful. After she was told the claim had been declined on 8 March she had until 7 May to pay the outstanding sum. And in any event it was open to her to pay less than the full amount if she so wished. So while I appreciate she borrowed money to pay the sum due I do not consider Virgin was wrong in its handling of the debt.

Overall, I accept that there were some customer handling issues and I consider the £75 paid by Virgin was fair and reasonable. Finally, as things stand I do not see that Virgin can be held responsible for the cost of any damaged luggage. Initially this would be a matter for the airline, but from the limited information I have I cannot comment further.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 14 May 2025.

Ivor Graham
Ombudsman