

The complaint

Mr N complains that Clydesdale Bank Plc trading as Virgin Money told him that he could open a persistent debt plan but later declined to open the plan.

What happened

Mr N holds two credit card accounts with Virgin Money.

Mr N contacted Virgin Money in October 2023 and agreed a persistent debt pay down arrangement on one of his cards. He asked about a similar pay down arrangement for the other card and was advised to make additional payments to reduce the balance and to call back in August 2024.

When Mr N called back in August 2024, he was advised that he couldn't have a pay down plan because the account was no longer in persistent debt.

Mr N complained to Virgin Money. He said he had a verbal agreement and asked them to listen to the call in which he was advised that he could have the pay down plan.

In its final response, Virgin Money said it had been unable to locate the call. It apologised for any distress and inconvenience caused by the advice Mr N had been given and offered compensation of £80. Virgin Money said that because Mr N had made over payments on his card a persistent debt plan wasn't applicable in his circumstances.

Mr N remained unhappy and complained to this service.

Our investigator didn't uphold the complaint. She said it wasn't unreasonable for Virgin Money to decline the pay down plan because Mr N didn't meet the criteria. The investigator said that Virgin Money had been unable to locate the call Mr N had with them in October 2023 but had upheld the complaint based on the information he'd provided and had paid compensation for the confusing information, which the investigator said was fair.

Mr N didn't agree so I've been asked to review the complaint.

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 know it will disappoint Mr N, but I agree with the investigators opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on those points which are most relevant to my decision. If I don't comment on a specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

I appreciate that this has been a frustrating and disappointing experience for Mr N. Although Virgin Money hasn't been able to locate and listen to the call dated October 2023, it has

accepted – based on Mr N's testimony – that he was given misleading advice. Virgin Money has acknowledged that the agent should not have advised Mr N to make additional payments. It has apologised for this and has offered compensation.

I've reviewed Mr N's account. I appreciate that Mr N wants Virgin Money to be held to the advice they gave him and put him on a pay down plan. However, having reviewed the account, I don't think it's in persistent debt. A pay down plan is only for customers whose accounts are in persistent debt - that is to say where, over a period of 18 months, a customer has paid more in interest and charges than they have repaid of the amount borrowed.

In the circumstances, I don't think it was unreasonable for Virgin Money to decline Mr N's request for a pay down plan. Mr N's account doesn't meet the criteria for persistent debt.

I appreciate that Mr N's account probably would have met the criteria for persistent debt had he not followed the agent's advice and made additional payments. However, this service can't fairly require Virgin Money to treat an account as if it was in persistent debt when it isn't. This is because the account doesn't meet the criteria for persistent debt, and a pay down plan might have an adverse impact on Mr N's credit file.

I agree with the investigator that Virgin Money provided misleading information to Mr N. I've thought about whether the compensation offered for the administrative error is sufficient. Having done so, I'm satisfied that the compensation is fair and in line with what this service would award. So I won't be asking Virgin Money to do anything further.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 27 February 2025.

Emma Davy
Ombudsman