

The complaint

Mr H complains Clydesdale Bank Plc trading as Virgin Money failed to close his credit card account when he asked them to. Mr H is also unhappy with their reply to a Subject Access Request (SAR) he made.

What happened

In September 2023 Mr H says he called Virgin Money to close his credit card account. He paid off the balance and he says the account was confirmed as closed by Virgin Money. But, he noticed a missed payment marker had been applied in October 2023. When contacting Virgin Money Mr H was told this was due to additional charges that'd been incurred before he closed his account – but hadn't yet been applied to his balance. Mr H says he was repeatedly told if he paid this amount off, then his credit file would be updated and the missed payment marker would be removed. In February 2024, the marker hadn't been removed, so Mr H complained.

Separately, and in support of these concerns, Mr H raised a SAR because he wanted to see the evidence of him asking for his account to be closed. He's said this was delayed, and when he eventually saw it, he realised the reason for the delay was due to Virgin Money sending his SAR to the wrong address – compromising his personal and security details.

In Virgin Money's first response, they said Mr H's account hadn't been closed in September 2023 when he'd paid off the balance. They said a further transaction for £7.08 went through on 23 September 2023 – but this was never paid off, so incurred late payment fees as well as interest (Virgin Money have later said this was a credit – not a debit – so they got this wrong in the letter. But interest was applied, so there was an outstanding debit balance). And although Mr H said he wasn't aware of this, Virgin Money said they'd issued statements to him – so they didn't think they'd done anything wrong with his credit file. But did accept they'd told him they would amend it, and this was incorrect. So, they paid him £150 compensation.

In Virgin Money's second response, about the SAR, they said sorry for the delay in raising the SAR, and ultimately agreed to pay £200 compensation for this issue. They said this payment would be made to Mr H within two to five working days.

In referring the matter to us, Mr H said the £7.08 transaction was only allowed to happen because Virgin Money didn't close his account as they'd told him they would. As a reminder though, this transaction was a credit – not a debit as Virgin Money initially said.

Ultimately one of our Investigators felt Virgin Money had done enough to tell Mr H about the outstanding payment – so the missed payment marker for October 2023 shouldn't be removed. But, she felt Virgin Money had repeatedly told Mr H they'd remove the marker, and for this and other issues in the first complaint, she felt increasing the compensation from £150 to £350 was fair. Separately she also felt the £200 Virgin Money had paid for the SAR issues was fair.

Mr H didn't agree with the outcome of not removing the missed payment marker on his credit file. He said Virgin Money's evidence showed he was never told about it. So, the complaint's been passed to me to decide.

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 think it's important to firstly explain I've read and taken into account all of the information provided by both parties, in reaching my decision. I say this as I'm aware I've summarised Mr H's complaint in less detail than he has. If I've not reflected something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless I think it's relevant to the crux of the complaint.

The key question for me to answer is, did Virgin do enough to make Mr H aware he needed to make a further payment after he'd asked to close his account.

The information I have in summary shows:

- On 5 and 7 September 2023 Mr H made payments to his account which brought the balance to nil.
- On 8 September 2023, interest of £16.09 was added to Mr H's account balance when his statement was produced – this is standard practice to add interest when the statement is produced.
- Also on 8 September 2023, Mr H put through an online request for his account to be closed.
- Virgin Money said on 11 September 2023 they contacted Mr H to let him know his account closure request couldn't be completed, because there was an outstanding balance. This was the interest of £16.09.
- On 26 September 2023 there was a credit for £7.08 (not a debit as Virgin Money previously said) which brought the outstanding balance down to £9.01.
- On 8 October 2023 a late payment fee and interest totalling £15.03 was added to the outstanding balance of £9.01, to create a new balance of £24.04 owing, when the statement was produced.
- Virgin Money say they wrote to Mr H on 30 October 2023 to let him know about the outstanding £24.04 balance.
- On 8 November 2023 another statement was produced – which meant more interest – to leave an outstanding balance at this point of £36.58.
- On 15 November 2023 Mr H then got in touch with Virgin Money, having noticed the late payment marker recorded for October 2023, and queried it. During this call he also paid off the £36.58 – and a refund of £12 was made. I understand Mr H wanted the account closed at this point, but this refund meant the account was now in credit, so couldn't be closed.
- Mr H then contacted Virgin Money again on 27 December 2023, and the account was finally closed two days later after the £12 credit was resolved.

Although I've not listed every event that happened, such as all the calls Mr H made, I think these are the key ones. I'm also conscious that during Mr H's calls he was repeatedly told Virgin Money would remove the missed payment marker – but then never did.

To help me decide the outcome of this case, I arranged for us to ask Virgin Money for various bits of information. That's because Mr H said he called them in August 2023 to pay off the balances, but I didn't appear to have that call – so I didn't know what Mr H may have been told. There was also a small discrepancy in the dates, as the payments which brought the account to zero were made on 5 and then 7 September 2023. It seemed likely this is when Mr H made contact.

What I've established is Mr H made the payments on 5 and 7 September 2023, and processed the closure of the account, online. All documents I have now support this. The online closure screens say they'll be in touch with Mr H if they need to. I think this is important.

At the time Mr H paid off his credit card, and thought he'd closed it down, interest was due but hadn't yet been applied to his account. So, when the account closure process was happening, the interest was added to the account.

Virgin say they notified Mr H of this on 11 September 2023. Although they've provided evidence an email was sent to Mr H, I can't see what that email says specifically, so I'm not entirely satisfied on this. Virgin have provided a sample of what they say the email would have said – but I don't think this is clear there would have been an outstanding balance to repay. So, I don't think it'd be reasonable to rely on this communication as being clear evidence of telling Mr H he had an outstanding payment to pay. But, there was 'some' communication from Virgin which I'd expect Mr H to have been aware of – and possibly questioned why he'd been contacted.

Virgin have also provided evidence Mr H accessed his Virgin app on 9, 19 and 30 September 2023. The longest of these was 21 seconds – so I accept Mr H's comments on this point that if he did access the app it was in error and he didn't mean to.

But, the front page of the app does show any outstanding balance. And although Mr H's access was for mere seconds, I think it's more likely than not he'd have been able to see that there was an outstanding balance on the account during the time he was logged into the app.

Virgin have also provided evidence they sent Mr H emails about statements which Mr H accepts – albeit he says he didn't accept them. While I understand Mr H may have simply expected those statements to show a zero balance, what I'm deciding is whether Virgin did enough to tell Mr H there was an outstanding balance. I can't hold Virgin responsible if Mr H chose not to open those statements – even if it was in the genuine belief there was no reason to do so.

Bringing all of this together, I'm persuaded Virgin have just about done enough to make Mr H aware of the outstanding balance – so I won't be requiring them to remove the late payment marker.

I don't think it's good enough they didn't explicitly tell him there could / would be an outstanding balance and should have done so. I also don't think it's acceptable they repeatedly told Mr H if he paid off the balance they'd remove the missed payment marker. But, our service doesn't look to make incorrect information true – we look to compensate for the impact of the incorrect information. Here, as I've said above, I'm satisfied it's right for Virgin to record a missed payment. But I think Mr H was repeatedly misled about the actions Virgin would take.

With that in mind, I think a total of £350 compensation is fair for these issues.

I've noted Mr H hasn't disputed the SAR compensation payment of £200 – so I'm satisfied there is no need for me to add anything further on this point either.

My understanding is £150 compensation for the missed payment issues, and the £200 compensation for the SAR issues, have already been paid. So, I believe this leaves a further £200 to be paid to Mr H.

My final decision

I partially uphold this complaint and require Clydesdale Bank Plc trading as Virgin Money to pay Mr H a total of £550 compensation. They can deduct any compensation already paid from this figure when settling the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 25 February 2025.

Jon Pearce
Ombudsman