

The complaint

Ms S is unhappy that Clydesdale Bank plc trading as Virgin Money ('Virgin') reported missed credit card payments to her credit file.

Ms S wants her credit file amending, and for Virgin to pay her compensation.

What happened

Ms S didn't pay her credit card when due in September 2023 and October 2023 because she couldn't access Virgin's banking app, as her account was blocked in August 2023.

On 26 October 2023 Ms S rang Virgin and the account was unblocked. Ms S made a payment to clear her arrears.

Ms S rang Virgin again on 8 November 2023 because she'd been told she'd 'missed' a payment – when in fact she'd paid late. She wanted the adverse information recorded on her credit file to be removed.

Virgin refunded late payment charges and reinstated Ms S's promotional offers but said they didn't control what was showing on her credit file and their information about late payments was automatically provided to the Credit Reference Agencies ('CRAs') at the end of each month.

Ms S then raised a concern about adverse information on her credit file for the month of November 2023 and Virgin agreed this should be removed. Ms S complained when Virgin failed to do this. Virgin agreed to remove the adverse entry for November 2023 and offered £30 compensation to Ms S for her distress and inconvenience.

Ms S wasn't happy and referred her complaint to our service. Our investigator considered that Ms S had paid September and October 2023's payments late so the credit reporting in respect of this was fair and accurate, and Virgin were no longer reporting anything negative for the month of November 2023.

However, our investigator thought there had been some confusion and Ms S had been caused more distress and inconvenience than he'd expect getting to the bottom of the matter, so he thought a fairer sum to reflect this would be £150.

Ms S asked for an ombudsman to review her complaint, which is how I've become involved.

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 taken into account any relevant law and regulations, the regulator's rules, guidance and standards, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

In doing so I've decided to uphold Ms S's complaint in part, for broadly the same reasons as our investigator. I think Virgin should pay £150 in total to Ms S for her distress and inconvenience, but I don't think they need to do more than this. I'll explain why.

I acknowledge Ms S thinks the late payment information should be removed from her credit file because she couldn't pay through Virgin's app, and Virgin's website gave her no other way of paying.

I've looked on Virgin's website and there are several places in which alternative methods of payment are set out. The options are for a customer to arrange payment through their own bank, go into a Virgin store, phone Virgin or post Virgin a cheque. These options are also set out on the second page of the statements Virgin sent to Ms S. So, I don't agree that Virgin didn't communicate different ways of paying them.

In Ms S's call to Virgin on 26 October 2023 she indicated she believed her payments were overdue. I haven't seen anything to suggest Ms S was unable to contact Virgin before missing two instalments, so I don't think the arrears were unavoidable.

Ms S was clearly frustrated to be sent a letter about 'missing' a payment when Ms S had paid this late – although I think the impact on her credit file was the same, as the information recorded showed Ms S was two months in arrears by October 2023.

The Information Commissioner's Office ('ICO') sets out guiding principles for businesses reporting arrears, arrangements and defaults. This says Virgin are under an obligation to report information to the CRAs that is "fair, accurate, consistent, complete and up to date."

Ms S paid late for September 2023 and October 2023 and, given the ICO's guidance, I don't think it was unfair or inaccurate for Virgin to report this to the CRAs and for this to be reflected on Ms S's credit file. So, I won't ask Virgin to amend this.

Virgin accept they shouldn't be reporting any arrears for November 2023 and any adverse information for this month has been removed – although there was delay and confusion surrounding this. I agree with our investigator that Ms S was caused additional distress and inconvenience sorting this out.

In the circumstances, I agree with our investigator that Virgin's offer of £30 compensation didn't fairly recognise Ms S's distress and inconvenience here, and that this should be increased to £150 in total, which is in line with our approach to awards of this nature.

Putting things right

Clydesdale Bank plc trading as Virgin Money should pay Ms S the sum of £150 in total for her distress and inconvenience. So if Ms S has already received £30, a further £120 should be paid.

My final decision

For the reasons I've outlined, I uphold this complaint in part and require Clydesdale Bank plc trading as Virgin Money to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or

reject my decision before 3 April 2025.

Clare Burgess-Cade
Ombudsman