

## **The complaint**

Mr M complains that Clydesdale Bank Plc trading as Virgin Money failed to close his account when he requested. As a result he says his credit score was affected, causing him severe financial problems.

## **What happened**

Mr M says that he wrote to Virgin Money in March 2024 requesting that his account be closed. He says this didn't happen and that he subsequently contacted Virgin Money on a monthly basis either by phone or through the app. He says that, due to his account incurring charges and his statement showing missed payments, this caused his credit score to reduce, meaning he could not obtain credit or get loans.

Virgin Money said that it hadn't received any letter from Mr M in March 2024. Its record showed that there was no contact from him until 31 July 2024 when he messaged the web chat team. He was told to contact customer services, and it says it didn't have any further notification from him until 11 September 2024. It agreed, in a call the next day, to refund the charges on the account from that date but the balance did not go to zero so the account could not be closed. Further charges were incurred in October 2024; the complaint handler agreed to refund those charges to close the account. Virgin Money offered Mr M £50 compensation, but wouldn't agree to refund the charges before September 2024.

After Mr M referred the matter to the Financial Ombudsman Service, Virgin Money said that, although the complaint handler had made arrangements for the account to be closed, this didn't happen due to an error with the payment. The account was finally closed in December 2024, with the balance being brought back to zero. Virgin Money offered an increased compensation payment of £150.

Mr M didn't agree, pointing out that his credit record was still showing missed payments. He also didn't feel that the £150 offered was sufficient to compensate for the lasting negative impact on his financial and personal affairs.

The matter has been passed to me for an Ombudsman's consideration.

## **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.

Where the evidence is incomplete or contradictory, as some of it is here, I have to make my decision based on what I think is most likely to have happened. I have a duty to be impartial so I have to assess both parties' evidence fairly.

Mr M says that he first contacted Virgin Money to close his account in March 2024, by letter. Unfortunately Virgin Money has no record of having received this letter and, as it was sent by ordinary post Mr M hasn't been able to evidence that he sent it. He says that he contacted Virgin Money on a monthly basis after that. However Virgin Money says it has no

record of him contacting it until 31 July 2024. At that stage it says that as the message was sent through its web chat service, it told him to contact customer service. And again Virgin Money has no record of Mr M contacting it again until 11 September 2024.

I don't think I can say that it's likely that Mr M contacted Virgin Money up until 31 July. This was an account with a monthly charge on it, and Mr M would have received monthly statements with that charge going unpaid. Regrettably, with no evidence of Mr M's original letter or any telephone calls or web chats before September 2024, I can't find that Mr M contacted Virgin Money during that time. This means that I think that Virgin Money doesn't have to refund charges incurred before that date.

I've noted Virgin Money's actions since agreeing to close the account after 12 September. It has refunded any charges incurred from September and has closed the account. It has also offered £150 compensation. This is an increase from the £50 originally offered because Virgin Money, in error, failed to close the account in October 2024 as had been agreed. I think, bearing in mind my findings, that was a reasonable compensation offer and I will direct Virgin Money to pay that.

Mr M asserts that because his credit score was affected so badly, he suffered severe financial distress, including not being able to pay his daughter's school fees, and his partner and child are facing eviction because he's unable to pay the rent. I'm not persuaded that those were a direct consequence of the Virgin Money account not being closed.

Mr M has also pointed out that there are still missed payments being shown on his credit record. However those payments were incurred after March 2024 and before September 2024, so weren't part of Virgin Money's agreement to refund charges.

So overall I think that Virgin Money's increased offer of compensation of £150 is fair and reasonable in the circumstances of this case.

### **My final decision**

Virgin Money has already made an offer to pay £150 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that Clydesdale Bank Plc trading as Virgin Money should pay £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 22 April 2025.

Ray Lawley  
**Ombudsman**