

## **The complaint**

Miss A has complained about how Clydesdale Bank Plc trading as Virgin Money handled her dispute with a third party merchant.

## **What happened**

In November 2024, Miss A tried to pay a £50 deposit to a third party merchant, using her Virgin credit card. It didn't go through the first time, so the merchant tried again, but took £500, rather than £50. This was using a chip and PIN machine, and Miss A says the merchant didn't know how to refund her with the £450 overpayment, and told her to contact Virgin instead.

Miss A did so, but Virgin raised a chargeback for the full £500. The merchant defended this, saying only £450 was owed. Virgin says it asked Miss A for more information, but she's explained she didn't receive the correspondence. Virgin paid Miss A £50 for poor service, but didn't give her a refund.

One of our investigators looked into what had happened – specifically, whether Virgin had correctly followed the chargeback process. He could see that Virgin raised a chargeback for the full £500, which is what Miss A had requested, as she said she no longer trusted the merchant. It provided a temporary credit, while it investigated. However, the merchant contested this, saying Miss A was only entitled to £450, as she had agreed to pay a £50 deposit.

On this basis, Virgin wrote to Miss A twice, on 21 January and 3 February 2025, asking for further information. Miss A didn't reply, and has said she didn't receive the correspondence. However, our investigator was satisfied it had been sent, and that Virgin had followed the correct procedure.

That said, our investigator agreed that had been a level of poor customer service, because it didn't always call Miss A back, when it should have done. But, he thought the £50 compensation provided for this was fair.

The complaint's now been passed to me.

## **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.

Much of the complaint has now fallen away, because Miss A has advised us that the merchant has now refunded her the full £500. So, that leaves me to decide whether the £50 compensation Virgin paid was enough, in the circumstances. Miss A feels it wasn't, because she says its failure to contact her resulted in an unnecessary increase in interest charges. It also affected her credit record, as the knock-on effect was that she needed to maximise her overdraft on her bank account.

I disagree. I'm satisfied that Virgin contacted Miss A twice, correctly requesting the further information it reasonably needed to pursue the chargeback. It can't fairly be responsible for Miss A not receiving the correspondence. So, I think it acted correctly.

But, it's clear that call-backs weren't always made, and Virgin apologised and gave £50 compensation. This is in line with what our service would have awarded, and I'm satisfied it's fair.

### **My final decision**

For the reasons given above, it's my final decision not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 11 August 2025.

Elspeth Wood  
**Ombudsman**