

## **The complaint**

Mr K complains that Clydesdale Bank Plc trading as Virgin Money didn't refund him when he told it that a company had taken several payments in error.

## **What happened**

In July 2024, Mr K noticed that a company that he had made payments to previously had wrongly debited five payments from his account with Virgin. Mr K notified Virgin of this and asked for the payments to be returned to him, but Virgin said that as the company in question had admitted that these payments were taken in error – then he needed to give it some time to put the error right. Virgin said that while the payments had been taken from the balance, if the company involved didn't take any further action then the funds would be returned to him.

Mr K complained to Virgin about this, as he felt that these payments weren't authorised and that Virgin had a duty to refund them. Virgin responded to say that no errors had occurred and that the payments were refunded the next working day after they were taken. Mr K wasn't happy with this response and brought his complaint to our service.

One of our investigators looked into the complaint and felt Virgin had acted fairly for the reasons it had given in its response. Mr K didn't agree, saying (in summary) that while the other company had made an error - Virgin has a responsibility to protect him from situations like this. He was left without funds over a weekend with no idea of if, or when he would get this money back. So the complaint was referred to an ombudsman.

## **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.

The starting point here is that these payments were taken in error by a third party company, in a way that was largely outside of Virgin's control. These payments weren't 'fraudulent' as Mr K has suggested – but instead, payments taken by mistake by a third party company that he had an existing arrangement for payments with. So these wouldn't have looked unusual to Virgin, where he had paid that company before – even if these payments were taken by mistake.

So at the point Mr K contacted Virgin, it should have done what it could to help him, but that doesn't mean it should have automatically refunded the payments. Because of the way they were taken, Virgin was limited in its options as to what it could do to help him immediately. That's opposed to if the payments were taken by direct debit for example, where there are certain mechanisms and schemes in place to help customers.

The payments were requested by the company using Mr K's card details and so were earmarked for payments as a result, similar to how payments are 'held' by car rental services or hotels for example. Virgin then couldn't immediately refund or cancel the payments. Instead, what would usually happen is that the company claiming the payment

needs to either complete the request for payments, cancel the request or in the event that the transaction isn't completed – Virgin would have then returned the payments.

It was unfortunate timing here, because the company made the request for the payments on a Friday and then doesn't seem to have been engaging with Mr K over that weekend. But that's not something that it'd be fair to hold Virgin liable for. Ultimately Virgin's response to him was a fair and reasonable one – which was that where these payments had been taken because of an error made by the company, it would be right to give that company time to put things right rather than Virgin refunding him the amount of the payments immediately.

Fortunately, the company did take the correct actions to cancel the payments on the Monday, which resolved the situation and meant there wasn't too long a period where Mr K was without this money. I realise that it will have been inconvenient and frustrating to have been without the money even for that long, but I'm satisfied that Virgin acted fairly in how it dealt with these payments and Mr K's claim to have them returned to him.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 29 August 2025.

James Staples  
**Ombudsman**