

The complaint

Mrs M complains that Clydesdale Bank plc trading as Virgin Money ('Virgin') weren't clear about her credit card payment dates and have misled her into incurring interest charges.

Mrs M wants Virgin to refund her interest and pay her £250 to recognise her distress and inconvenience.

What happened

Mrs M is assisted by Mr M to bring this complaint. For ease I'll refer to things done by Mr M as done by Mrs M.

Mrs M had a direct debit set up for her credit card's minimum payment. When this came out of her bank she'd make a top up payment which usually cleared the balance on her statement. Mrs M wasn't expecting to pay interest on her purchases by doing this.

Mrs M complained to Virgin in March 2024 that on occasion she had been charged interest. She said Virgin were taking her direct debit the next working day for a weekend due date, which had caused her confusion over her payment date.

Mrs M said Virgin's communication about their statement dates, payment dates and direct debits was unclear and she felt consumers were being misled and caused financial harm, whilst Virgin stood to profit.

Virgin didn't accept Mrs M's complaint and drew attention to the terms of the account and the payment due dates. Virgin offered Mrs M an interest refund of £150 as a goodwill gesture.

Mrs M referred her complaint to the Financial Ombudsman Service, raising several issues. Our investigator provided two detailed views following an investigation of what Virgin had done and why. Our investigator concluded that Virgin hadn't treated Mrs M unfairly in the circumstances of her complaint.

Mrs M disagreed, and provided concise and helpful submissions setting out why she thought her complaint should be upheld. The matter came to me 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'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.

I acknowledge Mrs M is heavily invested in this complaint and has sent detailed correspondence to both Virgin and the Financial Ombudsman Service. I hope the parties don't take it as a discourtesy that I've not gone into granular detail in my decision, given the

informal nature of this service.

I've read and considered everything on file and if I don't comment on something it's not because I haven't considered it, rather that I've focused on what I think are the key issues to decide what I think is a fair outcome.

I am sorry to disappoint Mrs M, but I haven't found that Virgin have treated Mrs M unfairly in these circumstances, and I've decided not to uphold her complaint. I'll explain why, though my reasoning mirrors that of our investigator.

I think Mrs M is right to invite an assessment of fairness based on what the parties can expect – but I think this is what they can expect from one another and not what Mrs M could have expected from other lenders.

I'll make no findings about what other lenders do, primarily as this is a complaint between Mrs M and Virgin. But I think it's important for me to say that even if I had found Virgin's approach to be an uncommon industry practice, that wouldn't necessarily equate to a poor industry practice.

I think the starting point for the parties' expectations is the terms and conditions which Mrs M agreed to when she opened the account. These state:

"7.2 We will not charge interest on Card Purchases and related fees, as long as you pay the balance shown on your statement (excluding any instalment plans and transfers on a promotional rate) by the payment date. Otherwise, we will charge interest each day on all transactions and related fees, on unpaid interest and on any other amounts, from the date they are added to your account until you pay them off in full."

"8.2 You are responsible for checking your statement each month."

"9.3 The Minimum Payment must reach your account after your statement date and by the payment date shown on your statement..."

Mrs M's statements set out:

"We will not charge interest on Card Purchases and related Fees, as long as you pay the full balance (excluding any instalment plans and transfers on a promotional rate) shown on your statement by the payment date."

I have reviewed Mrs M's statements which clearly provide the payment date each month. I don't agree with Mrs M that the words 'payment date' mean the date the payment is made rather than the date payment is due. I don't think Mrs M's interpretation would fulfil the purpose of the terms and conditions which is to provide a clear deadline for payment and a trigger for interest and charges.

Mrs M's pointed out that sometimes the period between the statement and the payment date is inexplicably 21 days (rather than 20) which pushes the payment date into a weekend. I don't think the fluctuations in payment dates are inherently unfair, given it's Mrs M's responsibility to check her statement each month to ascertain when her payment is due.

I acknowledge Mrs M thinks it'd help customers if Virgin made sure all their due dates fell on a working day, to avoid harm to their customers. I think it's important for me to say it's not within my power to direct Virgin to change their processes. It is a business decision for Virgin to decide how they set their due dates, although I'd expect Virgin to treat their customers fairly when doing so.

I've looked into what happens when Mrs M's payment date is on a weekend. I've found that the payment is initiated but the money leaves Mrs M's account the next working day. An example of this is shown on Mrs M's October 2023 statement under the heading 'payments made' where the transaction date (payment initiated) and post date (payment allocated) are different, to account for the weekend. Virgin don't treat payments processed in this way as late payments because Mrs M's direct debit is set up to pay Virgin on the due date. I think that's fair to Mrs M.

The problem Mrs M has had is that she's aligned her top up payments with when the direct debit leaves her account, rather than when the direct debit payment is initiated. I understand this is because Mrs M relies on her direct debit as a prompt to pay. This means when she's seen the direct debit go out on the next working day, rather than the payment date, she's paid late.

I've thought about this, but I don't agree it's fair to hold Virgin responsible for how Mrs M chooses to review and manage her account. I know this won't be what Mrs M wants to hear but I don't think Virgin have been unclear about the dates they expect her to make a payment. I think the interest was properly charged, in line with the terms and conditions of Mrs M's account.

I'm aware that Mrs M feels her complaint has nudged Virgin into notifying their customers that direct debits will be taken on the next working day, if they fall due on a weekend. But I don't agree with Mrs M that this is an admission of fault on Virgin's part or that Virgin were unclear about the payment date.

I've seen evidence that Virgin started an internal process to modify their communications in this regard several months before Mrs M raised her complaint. I'm satisfied this change was in response to the introduction of new regulatory requirements which impose higher standards in terms of how Virgin engage with their customers. For the avoidance of doubt I don't think Virgin's changes meant their prior communication with Mrs M fell below the standards expected by the Financial Conduct Authority. I hope I can reassure Mrs M that I haven't found this to be the case here.

I'm aware Mrs M is also dissatisfied that Virgin italicised a paragraph in their final response letter making it look like part of the terms and conditions they were citing. I think this was an unfortunate drafting error, rather than any deliberate attempt to mislead Mrs M or the Financial Ombudsman Service. I'm grateful to Mrs M for highlighting this discrepancy. It hasn't materially affected my findings.

Bringing everything together, I haven't found that Virgin have acted unfairly towards Mrs M. I am sorry to disappoint Mrs M as I know she feels very strongly about this matter, but I haven't got cause to uphold her complaint.

I'm aware Virgin have offered – and may now have paid - £150 to Mrs M by way of a goodwill gesture. I don't require Virgin to make any payment to Mrs M, given my findings, so this is at their discretion.

My final decision

For the reasons I've set out, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 11 July 2025.

Clare Burgess-Cade
Ombudsman