

## **The complaint**

Mr B complains that Clydesdale Bank Plc trading as Virgin Money ('Virgin') charged him an annual fee on his new credit card when he didn't think this applied.

Mr B wants a refund of the fee and for Virgin to recognise there's an issue with their application process.

## **What happened**

Mr B complained to Virgin that he'd applied for a new Rewards credit card on 16 October 2024 but he'd been given the Rewards+ credit card and nothing had alerted him to the annual card fee of £160 until his statement had arrived. Mr B wanted Virgin to put this right, as he was outside of his cooling off period.

Virgin said they'd notified Mr B of the fee when he'd applied for the Rewards+ card, so didn't uphold his complaint. Virgin said Mr B couldn't be switched to a different account so would need to reapply.

Mr B referred his complaint to the Financial Ombudsman Service saying there was nothing to alert him of the fee and he could show the links he clicked to apply for the Rewards card. Mr B was also concerned that Virgin's website allowed customers to switch between accounts without reapplying but he'd been told otherwise.

Our investigator upheld Mr B's complaint in part saying Virgin should pay Mr B £50 for the misinformation about switching accounts. However he didn't think Virgin needed to do more than this, as Mr B had received pre contract information about the card he was applying for which included details of the fee.

Virgin agreed to our investigator's proposal, but Mr B thought he'd been misold the card and wanted this to be investigated.

## **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.

Having done so I broadly agree with the findings of our investigator. I think Virgin should pay Mr B £50 for his distress and inconvenience, but I won't ask Virgin to do more than this. I'll explain why.

I think it would be helpful to explain the role of the Financial Ombudsman Service is to resolve individual complaints based on what is fair and reasonable in the circumstances of each case. It is not for this service to interfere with a firm's processes, systems or controls

nor to fine or punish a business. Those are considerations for the Financial Conduct Authority ('FCA'), as the regulator. This means I can't direct Virgin to change their credit card application process.

Mr B has provided links to show how he applied for the Rewards card and this involves an eligibility checker. Virgin provided links to show that applicants must select which of the Rewards accounts they'd like, and that there are summary boxes of the key information for each card.

I don't think I need to get to the bottom of exactly what happened when Mr B applied for his card because Mr B accepts he was sent pre contract information from Virgin. This didn't name the card as a Rewards+ account but it did show a fee was payable of £160. I'm mindful that by agreeing to the card, Mr B would have been provided with the full terms and conditions for the account which also set out the annual fee.

I recognise Mr B says he wasn't expecting a fee, as he thought he was applying for a non-fee bearing account. He says the information he needed wasn't clearly visible and this hindered his ability to withdraw from the agreement in the cooling off period.

I've thought carefully about this but ultimately I think it was Mr B's responsibility to ensure he'd read the important documentation sent to him about his new credit agreement. Had he done so, he would have been able to cancel the card within the cooling off period and the fee would not have been payable. I am sorry to disappoint Mr B, but I am not upholding this element of his complaint.

Virgin accepted they'd given Mr B misinformation about switching his account and they agreed to our investigator's proposal to pay £50 to Mr B in compensation. I think that is a fair and reasonable sum, and I think Virgin should pay this to Mr B.

### **Putting things right**

Clydesdale Bank Plc trading as Virgin Money must pay £50 to Mr B for his distress and inconvenience.

### **My final decision**

For the reasons I've outlined, Clydesdale Bank Plc trading as Virgin Money must put things right as I've set out above.

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

Clare Burgess-Cade  
**Ombudsman**