DRN-5616211

The complaint

Mr R complains that Clydesdale Bank plc trading as Virgin Money ('Virgin') blocked his credit card account and made it difficult for him to regain access and make repayments.

Mr R says he was charged late payment fees and a default was applied to his account as a result. Mr R wants this putting right.

What happened

In July 2024 Mr R failed a security question so was blocked from his account until he provided two acceptable forms of identification ('ID'). His account was unblocked on 27 September 2024.

Mr R complained that Virgin made the whole process unduly onerous and he hadn't been treated fairly. He said he hadn't been told how much he owed and he had been denied the ability to make payments to his account.

Virgin didn't uphold Mr R's complaint. Virgin said they'd reinstated Mr R's access to his account once they'd received clear copies of his ID, and outlined the options available to Mr R to make payment at any time. Virgin said as Mr R's account was three months in arrears, default charges had been added and his account was permanently blocked going forwards.

Mr R complained to the Financial Ombudsman Service but our investigator didn't think Virgin had acted unfairly. So, the matter came to me to decide.

I asked both of the parties for further information before reaching a decision.

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 have decided not to uphold Mr R's complaint, because I think Virgin have treated him fairly in these circumstances.

That doesn't mean I don't acknowledge that Mr R had some trouble here. However I think this was caused by the situation rather than Virgin's actions. I'll explain why.

I've listened to several calls between Mr R and Virgin and it's clear that these were frustrating for Mr R because every time Mr R rang he was asked for information he no longer had access to, and so had to explain his circumstances afresh every time he rang. I don't think there was a way around this given Virgin couldn't access Mr R's account notes until he was verified as a customer.

Mr R sent his ID but this was rejected because – unknown to Mr R – the bottom half was missing on one of his documents. Mr R therefore had to send further copies which I accept was inconvenient, but I don't think this was an unreasonable requirement.

Mr R said in many of his calls that he wanted specific information about how much he owed on the account so he could pay. This information wasn't given to Mr R over the telephone given his identity was in issue, but at no point did I hear Virgin deny Mr R the ability to make a payment.

On 18 July 2024 Virgin said they'd take a debit card payment, but Mr R didn't agree to do this. He said it was unfair that he wasn't being told the minimum amount he could pay. Virgin said they could look at the reasonableness of any charges later if Mr R hadn't paid enough. I think Mr R could reasonably have made a payment of a sum he was comfortable with, given he was concerned with incurring arrears.

On 27 July 2024 Mr R called Virgin wanting to know how much he owed, saying he didn't want the blame for not paying. On 23 September 2024 Mr R said to Virgin, "I've been sat here with the money trying to pay you lot."

At the time Mr R didn't have his credit card or access to his account via the banking app. However he was in receipt of Virgin's arrears letters and emails requesting payment, which he acknowledged receiving during the call on 23 September 2024. These set out payments could be made by direct debit, through Virgin's app, by bank transfer or over the phone. Given Mr R had limited details about his account I think it would have been reasonable for Mr R to make payment over the phone during one of his many calls with Virgin. The letters sent set out how much Mr R owed.

Mr R came to an arrangement to pay a lump sum towards his arrears by 28 October 2024, which was kept to. By this point Virgin had applied late payment fees and default charges to Mr R's account in line with their terms and conditions, and reported this information to the credit reference agencies. I think this was fair as Mr R didn't make a payment for three months, even though I think he could have done this on the phone.

Mr R said a default had been applied to his credit file but he hasn't provided me with a copy of his credit file to show this. I made further enquiries of Virgin and they provided data to show me that Mr R's account didn't reach the point at which they'd issue a default notice and default his account, although they'd applied default sums and stopped Mr R from using his card for future purchases. I therefore haven't seen sufficient evidence to persuade me that Virgin defaulted Mr R's account.

I acknowledge that losing his card and access to his app and account has been stressful for Mr R and taken up a lot of his time. However, I've not identified Virgin acted unfairly towards Mr R in these circumstances so I haven't found cause to ask Virgin to take any action on this occasion. I am sorry to disappoint Mr R but this means I am not upholding his complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr R to accept or reject my decision before 5 August 2025.

Clare Burgess-Cade
Ombudsman