

## **The complaint**

Mr A complains that Clydesdale Bank Plc will not meet his claim under section 75 of the Consumer Credit Act 1974 ("section 75") after a training course did not meet his expectations. He says that he did not receive what he paid for and that the bank is liable, along with the course provider.

The bank trades in this case under its Virgin Money brand.

## **What happened**

In January 2023 Mr A signed up to a training programme provided by a business which I'll refer to as "S". The programme was to provide online training and mentoring, with the intention that participants would, on completion of the course, set up their own business.

Mr A paid the course fee of £9,500 using his Virgin Money credit card.

S's terms and conditions included:

### ***Our promise to you:***

*We agree to provide you with full access to our training and group coaching program, "[S] Mentorship and Success'.*

*You will have access to the online training portal of the [S] Academy for the life of the [S] company.*

*You will also have access to the live coaching calls for a period of 16 weeks until your graduation date.*

*Provided you have completed the training and launched your online coaching business with us by your graduation date, we promise to keep working with you until you achieve £10,000 per month in revenue, so long as you continue to follow our advice and practices as given.*

And:

*Our money-back guarantee policy is as follows: You are entitled to a refund of the course fees paid to [S] only if you complete and execute consistently all action items from all modules in the training program and upload the completed worksheets via Google Drive and share them with [name] upon request of a refund (it is not necessary to send them before). You must also demonstrate that you have followed all of the advice given and agreed steps with regards to building and marketing your business as per our instructions consistently over a 6-month time frame after completing all of the training and then launching your business, with all daily organic and email marketing strategies implemented and executed for the entirety of this time. Finally, you need to have checked in with us weekly to help you manage your advertising until instructed otherwise by one of the marketing coaches. If following all of these steps, you can demonstrate with evidence beyond doubt that your business revenue has not exceeded the course fees for this program over the post-launch 6-month period, then a refund of the course fees paid, and any [S] Tools subscription payments only will be granted within 30 days of the receipt of the refund request. Any other expenses outside of the course fees paid to [S] incurred by your business following our instructions, including any marketing budget, are not covered.*

Mr A did not receive the support that he felt he was entitled to. For example, he was not allocated to an accountability group (a group of course participants who could share their experiences and advice) until April 2023. He was unable to utilise all the training materials, and individuals providing the course were unavailable.

S ceased trading in October 2023. Mr A had not by that point “graduated” or launched his own business.

Mr A contacted Virgin Money to make a claim under section 75. The bank however took the view that Mr A had not met the conditions needed to qualify for a refund of the course fee. Specifically, he had not launched his business and S was not obliged to continue working with him. It declined Mr A’s claim.

Mr A referred the matter to this service, where one of our investigators considered what had happened. He did not however recommend that the complaint be upheld – save to note that there had been delays in the bank’s consideration of the section 75 claim, for which he recommended it pay Mr A £200.

Virgin Money accepted the investigator’s recommendation, but Mr A did not. He asked that an ombudsman review the case.

### **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 investigator considered whether Virgin Money should have made a chargeback request, but concluded that it would not have been successful. The time limit for making such a request was 120 days from the date of payment. By the time Mr A raised the matter with the bank, that limit had already expired. Mr A did not specifically ask that the bank submit a chargeback request, but, for the record, I agree with the investigator’s analysis here.

Mr A’s primary case is that S was in breach of its contract with him and that, because he paid for the course with his credit card, he therefore has a claim against Virgin Money.

One effect of section 75 is that, subject to certain conditions, an individual who uses a credit card to pay for goods or services and who has a claim for breach of contract or misrepresentation against the supplier of those goods or services has a like claim against the credit card provider. The necessary relationships between Virgin Money, S and Mr A are present in this case, and the transaction falls within the relevant financial parameters. I have therefore considered Mr A’s dealings with S.

I think it is fair to say that it has not been easy for Mr A to show that he has not received the service he paid for from S. That is not in any way a criticism of him. Rather, it is an observation on the nature of the claim. It is very different to show that a service has not been provided, especially where – as here – it is part of a continuing programme. It is clear that Mr A was enrolled on the programme and did receive something for his money. But it is also apparent that there were occasions when he did not receive immediate support and when things took longer than they might have done – for example, the setting up of the accountability group. Mr A has also provided several examples of feedback from other course participants, evidencing varying levels of dissatisfaction.

However, what I must consider is not whether, in general terms, the course was of a high quality or good value for money, but whether Virgin Money should have met Mr A’s claim under section 75.

S's terms and conditions were not at all specific about what exactly S was to provide and when. And, because the course was a self-learning one, it put a heavy responsibility on course participants to complete it.

In addition, the terms and conditions were, in my view, heavily weighted in favour of S. For example, they purported to give S the right to amend or remove training materials. There was no definition of "*graduation date*" or explanation of when a business was "*launched*". And the conditions of receiving continuing support required a participant, in effect, to follow S's instructions to the letter. The obligations of S, on the other hand, were extremely vague and flexible.

I note that S offered a money-back guarantee, but again it seems to me that it would have been very hard for Mr A (or any participant for that matter) to meet the conditions attached to it. The guarantee required specific steps to have been taken during the course and for paperwork to be submitted at specific times and in a specific manner.

I can understand Mr A's frustration that he was unable to meet the necessary conditions, but I can also see why Virgin Money took the view that he had not shown that he had a claim for breach of contract against S. In my view that was a reasonable view to take, and it follows that it was reasonable of the bank to decline the claim.

I have considered the bank's handling of the claim and agree with the investigator that there were avoidable delays, for which Mr A should be compensated. I note that Virgin Money has agreed to the investigator's recommendation of £200, but I will make a formal award in any event, so that Mr A can enforce it, should that be necessary.

### **My final decision**

For these reasons, my final decision is that, to resolve Mr A's complaint in full, Clydesdale Bank Plc should pay him £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 17 July 2025.

Mike Ingram  
**Ombudsman**