

## **The complaint**

Miss B complains that Clydesdale Bank plc, trading as Virgin Money, won't refund to her the money that she paid for some holiday accommodation.

## **What happened**

Miss B used her Virgin Money credit card in July 2024 to pay £902.78 for some holiday accommodation. She complained to the accommodation provider about her dissatisfaction with the cleanliness of the property whilst she was using it. As a gesture of goodwill the accommodation provider offered her a £100 refund for the housekeeping issues that she experienced. Miss B then completed Virgin Money's online dispute form.

Virgin Money said that after reviewing the available evidence, it was unable to accept Miss B's claim for a full refund as she'd fully utilised the service by staying at the accommodation for the duration of her stay and that it appeared as though the accommodation provider had acted in line with its contract with Miss B. Miss B appealed the outcome of her claim but Virgin Money said that its decision remained as a decline. Miss B then made a complaint to Virgin Money but it said that it agreed with the decision to not refund the transaction or request a chargeback from the accommodation provider.

Miss B wasn't satisfied with its response so complained to this service. Her complaint was looked at by one of this service's investigators who, having considered everything, didn't recommend that it should be upheld. He said that Miss B stayed at the accommodation for the duration so there was no type of chargeback claim that Virgin Money could have raised with any reasonable chance of success. He also said that he was satisfied that any potential breach of contract was fairly remedied when the supplier offered £100 compensation.

Miss B didn't accept the investigator's recommendation and said that she'd like her complaint to be escalated to an ombudsman for a decision. She has provided detailed responses in which she has described her issues with the accommodation and she says, in summary and amongst other things that she stayed at the accommodation due to a lack of safe and viable alternatives at the time of arrival, she hasn't received the goodwill payment from the accommodation provider and she maintains that the condition of the accommodation was far below acceptable standards with the presence of faeces and extensive hygiene concerns in the kitchen and bathroom areas justifying a refund due to the breach of basic health, safety, and cleanliness expectations.

## 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.

Miss B used her Virgin Money credit card in July 2024 to pay £902.78 for a five day stay in the accommodation. She completed Virgin Money's online dispute form in August 2024. If a consumer disputes a credit card payment there are two main ways that a refund may be obtained: a chargeback claim and a claim under section 75 of the Consumer Credit Act 1974.

The card issuer may be able to make a chargeback claim to the supplier under the relevant card scheme to try to settle the dispute. There's no right for a consumer to require that a chargeback claim be made and the applicable scheme rules set out the disputes that can be considered and the time limits for making a claim. If the right to make a chargeback claim exists under the applicable scheme rules, and if there's a reasonable prospect of success, I consider it to be good practice for a chargeback claim to be made.

Virgin Money considered a chargeback claim but it said that Miss B had fully utilised the service by staying at the accommodation for the duration of her stay. It said that for it to claim a refund from the accommodation provider on her behalf, Miss B would be required to show that the accommodation provider didn't provide the services that she paid for. It said that Miss B paid for a five day stay at the accommodation and utilised the full five day stay and she was unable to have both the full service and a refund from the accommodation provider.

Miss B had been corresponding with the accommodation provider, through a management company, and it had said that the £100 offered by the accommodation provider was its full and final offer for the cleanliness issues that she'd experienced at the property. If Virgin Money had made a chargeback claim, I consider it to be more likely than not that it would have been defended on the basis that Miss B has used the accommodation and had been offered £100 compensation. I don't consider that there was a reasonable prospect of a chargeback claim being successful in these circumstances, so I don't consider that Virgin Money acted incorrectly by not making a chargeback claim.

In certain circumstances, section 75 gives a consumer an equal right to claim against the supplier of goods or services or the provider of credit if there's been a breach of contract or misrepresentation by the supplier. To be able to uphold Miss B's complaint about Virgin Money, I must be satisfied that there's been a breach of contract or misrepresentation by the accommodation provider and that Virgin Money's response to her claim under section 75 wasn't fair or reasonable (but I'm not determining the outcome of Miss B's claim under section 75 as only a court would be able to do that).

Miss B says that there was a clear misrepresentation of the condition of the property and the failure to provide the service as advertised. I've looked at the advert for the accommodation and the booking confirmation and I'm not persuaded that there's enough evidence to show that the accommodation was misrepresented to Miss B.

Miss B has described in her correspondence with the management company, Virgin Money and this service her issues with the cleanliness of the property and she's provided photos showing those issues. The booking conditions say: *"All properties are thoroughly cleaned between bookings and set up for your arrival. Under normal circumstances the cost of this clean is included in the price you paid"*. I consider it to be clear that there were issues with the cleanliness of the property and those issues might be enough to constitute a breach of

contract by the accommodation provider for which Virgin Money might be liable under section 75.

The booking conditions also say: “... *in the unlikely event that you are dissatisfied with your accommodation, then it is very important that you register this straight away with us, the owner or the designated property manager and do not wait until you return home, when the chance of resolving your issue has passed*”. I’ve seen no evidence to show that Miss B registered her concerns about the cleanliness of the accommodation until the day before she was due to check out.

Although Miss B says that she only stayed at the accommodation due to a lack of safe and viable alternatives at the time of arrival, she did use the accommodation for the five days for which she’d booked it so she did receive some benefit from it. When she complained to the management company, it said that as a gesture of goodwill the accommodation provider had offered a £100 refund for the housekeeping issues. Miss B didn’t accept that offer so hasn’t received it, but I consider that the accommodation provider’s offer was a fair and reasonable response to the issues that Miss B had experienced. Miss B says that she’s seeking a full refund and compensation for the hardship, but I consider that any potential breach of contract by the accommodation provider has been fairly remedied by its offer to pay Miss B £100 compensation. I consider that Virgin Money’s response to Miss B’s section 75 claim was fair and reasonable in these circumstances.

It’s clear that Miss B has very strong feelings about her complaint so I appreciate that my decision will be disappointing for her. I find that it wouldn’t be fair or reasonable in these circumstances for me to require Virgin Money to refund to Miss B the £902.78 that she paid for the accommodation, to pay her any compensation or to take any other action in response to her complaint. If Miss B now wants to accept the accommodation provider’s offer of compensation, she should contact the accommodation provider.

### **My final decision**

My decision is that I don’t uphold Miss B’s complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss B to accept or reject my decision before 12 August 2025.

Jarrold Hastings  
**Ombudsman**