

## The complaint

Mr M complained because Clydesdale Bank Plc, trading as Virgin Money:

- refused to refund him for transactions he said he didn't make;
- cancelled his debit card and PIN after he said there had been fraudulent transactions on his account, and reissued them, and they arrived separately;
- gave him poor customer service including being transferred between departments, and spending a long time at a branch and on calls.

## What happened

Mr M has made multiple complaints to Virgin, so I've first clarified what this decision covers.

This decision covers the three complaints below about disputed transactions which Virgin didn't refund. Virgin refunded Mr M for a £41.65 transaction, and a merchant refunded another for £69.25, so I haven't included those in this decision.

After our investigator issued her view of Mr M's complaint, Mr M said that there had recently been more disputed transactions. Our investigator correctly told Mr M that he would first have to complain to Virgin about those, before this service could consider them.

So this decision focuses on the following three complaints:

| Date                          | Disputed transactions                                      | Amount £ |
|-------------------------------|--|----------|
| 9 December 2024               | Debit card payment to an online merchant                   | 143.97   |
| 3 December to 8 December 2024 | 9 debit card payments to two different online retailers    | 730.15   |
| 25 February 2025              | 2 debit card payments to another different online retailer | 48.81    |
| Total                         |  | 922.93   |

I'll also clarify that I can't comment on Mr M's assertion that problems had only arisen since his account was with Virgin instead of Yorkshire Bank. This decision looks at the specific events of the about three complaints about transactions, and Virgin's service related to these. Wider general matters are dealt with by the regulator, the Financial Conduct Authority (FCA).

Mr M contacted this service in February 2025, after Virgin had refused to refund him for the transactions above.

Our investigator didn't uphold Mr M's complaint. She explained that:

### *First disputed transaction claim above for £143.97*

For the disputed £143.97 transaction on 9 December 2024, the merchant had rejected this dispute and provided evidence to show what was bought – men's clothing and boots. This

order was shipped and delivered to Mr M's home address. The investigator said that an unauthorised person committing fraud wasn't likely to have sent goods to the card holder's address, because they wouldn't benefit from this.

#### *Second disputed transaction claim above for £730.15*

For the 9 debit card payments totalling £730.15, both online merchants provided evidence about what had been bought. These included a swing garden chair, sculptures, books, wall art and floor rugs. The online merchants also provided evidence that these had been shipped and delivered to Mr M's home address.

One of these two merchants had also shown that the same device and network had been used to make undisputed payments. For example, the £139.99 payment on 7 December had been made using the same Global Unique Identifier number as an undisputed £63.99 purchase on 19 November.

The other merchant had shown that the £137.96 purchase on 3 December contained multiple items within it – and it had processed a refund request for an item within that. The investigator concluded that this meant Mr M was actively monitoring and acting on that order.

#### *Third disputed transaction claim above for £48.81*

Virgin's evidence showed that for these two payments, it had required Mr M to approve the payments by sending a notification to his Virgin Money app. The evidence showed details of the device that approved the payments. Mr M had told this service that he hadn't lost his phone, and no-one knew the security information for his phone or his Virgin Money app.

Virgin also provided the IP address (a unique computer identifier) for the payments. The investigator checked this against another payment to the same merchant, for £42.71 on 27 February 2025, and the device used to approve the in-app notification, and the IP address used, were the same for the disputed and undisputed payments.

When our investigator told Mr M that she'd found this, Mr M said he hadn't made the 27 February £42.71 payment either. But Virgin had provided this service with a call recording from 27 February in which Virgin discussed transactions. On this call, Mr M had twice confirmed that he'd made the £42.71 payment himself that day. The investigator considered that what Mr M told Virgin on the day he made the payment was more likely to be correct than what he'd told her some months later.

The investigator didn't accept Mr M's argument that his accounts with all the merchants had been hacked. She said that the disputed payments had been made from a regular device and network which Mr M used. He'd also said no-one else could access his devices. So she concluded that Mr M had authorised the disputed transactions, so Virgin didn't have to refund him.

The investigator also considered Mr M's customer service complaints. Virgin had cancelled Mr M's card every time he disputed a transaction and reissued him with a replacement. She said this was what she'd expect Virgin to do, and although Mr M had found waiting for new cards frustrating, it was necessary for security. Virgin had paid Mr M a total of £170 since November 2024 for service issues and having to cancel his card. The investigator considered this was fair and reasonable.

Mr M didn't accept the investigator's decision. On a call with our investigator, he said the amount disputed was £3,500, not the amounts he and the investigator had previously

discussed, but he couldn't provide details. He also said the issues hadn't happened when his account had been with Yorkshire bank, only since it had been Virgin. He said the security and customer service had since been poor.

Mr M asked for an ombudsman's 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.

#### *What the Regulations say*

There are regulations which govern disputed transactions. The relevant regulations here are the Payment Services Regulations 2017. In general terms, the bank is liable if the customer didn't authorise the payments, and the customer is liable if they did authorise them. So what decides the outcome here is whether it's more likely than not that Mr M, or a third party fraudster unknown to him, carried out the disputed transactions.

The regulations also say that account holders can still be liable for unauthorised payments under certain circumstances – for example if they've failed to keep their details secure to such an extent that it can be termed "*gross negligence*."

#### *Who is most likely to have authorised the disputed transactions?*

Mr M confirmed to this service that he had never lost his card, which was always in his wallet. He told us that no-one has access to his information. Nor was it written down because he memorised it. He said he does not share any information, and hasn't lost any devices with access or information about his accounts. This means it's hard to see how any third party fraudster could have obtained Mr M's card, device, or security information in order to carry out the disputed transactions.

Mr M's explanation to this service was that the fraud happened online and his Virgin account was hacked.

I'm not persuaded by Mr M's explanation because:

- The evidence from the merchant for the 9 December transaction shows that the order, for men's clothing and boots, was shipped and tracked to Mr M's address. This address is the address on Mr M's Virgin statements and it's also the address he gave this service. I don't consider a fraudster would have ordered items to be sent to Mr M's address, as they wouldn't benefit from it.
- The evidence from both merchants for the 3 – 8 December transactions shows that the goods ordered had been shipped and tracked to Mr M's address. Again, this means it's unlikely to have been a third party fraudster unknown to Mr M who made the transactions, because they wouldn't benefit from it.
- In addition, one of the two merchants for the 3 – 8 December transactions provided evidence that disputed and undisputed transactions with the merchant had been made using the same IP address. This IP address matches the one used for genuine transactions by Mr M.

- The other merchant for the 3-8 December transactions provided evidence that it had refunded part of the order. I agree with the investigator that this indicates Mr M was monitoring and taking actions on his account.
- Virgin's technical evidence for the 25 February transactions shows that the IP address for payments was the same as for a 27 February payment which Mr M didn't dispute he'd made. I'm not persuaded by Mr M's subsequent argument that he hadn't made the undisputed payment after all. The call recording from 27 February shows that Mr M twice confirmed to Virgin, on the day of the payment, that he'd made that payment.
- The technical evidence for the 25 February transactions shows that additional authentication was required for both payments, in the form of a notification to Mr M's Virgin app. This was correctly entered to make the payments. As Mr M said he hadn't lost his phone or card and hadn't disclosed his security details, I can't see how these can have been made by anyone other than Mr M.

So I find that it's most likely that the disputed transactions were authorised by Mr M, not by a third party fraudster unknown to him. This means Virgin doesn't have to refund him.

### *Customer service*

I've considered Mr M's customer service complaints about Virgin, relating to being transferred between departments, and the time he spent in branches and on calls, and waiting times. I note that one part of Mr M's complaint was that every time he disputed a payment, Virgin cancelled the card on which he'd said the fraud had been committed, and issued a replacement. He also complained about the new card and PIN being sent separately. I don't agree with Mr M's complaint relating to reissuing his card and PIN. It is obviously sensible to issue a replacement card if a customer says their card has been used for a fraud. It is also standard to send cards and PINs separately, to reduce the possibility of any hypothetical fraudster being able to obtain the new card and new PIN at the same time.

I've considered the amounts which Virgin paid Mr M for his customer service complaints. It paid him £100, £50 and £20, making a total of £170. I find this was fair and reasonable and don't require Virgin to do more.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 20 October 2025.

Belinda Knight  
**Ombudsman**