DRN-5742353

The complaint

Mr B complains that Clydesdale Bank Plc, trading as Virgin Money, gave him misleading information and caused him financial distress.

What happened

Mr B says that when Virgin Money called him, they misled him into thinking that if he repaid a debt to them in full his account would stay open. That wasn't the case as his card hadn't been renewed in 2018. Mr B says he, therefore, directed payments to clear his account with Virgin Money when they would have been better servicing other debts he had with other lenders.

Virgin Money partially upheld Mr B's complaint. They accepted that their agent had made mistakes and that:

- The agent advised that Mr B's complaint would be rejected.
- The agent mis-informed Mr B that full repayment would remove the card block.
- Mr B was not given a call back as promised.
- Mr B was incorrectly advised the complaints team don't arrange call backs.
- They didn't respond to Mr B's complaint promptly.

In respect of the distress and inconvenience caused by those errors Virgin Money offered to pay Mr B £300.

When Mr B referred his complaint to this service our investigator thought that was reasonable compensation but as Mr B disagreed the complaint has been referred to me, an ombudsman, to make 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 know it will disappoint Mr B, but I agree with our investigator's opinion and for broadly the same reasons.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

I've listened to the call that Mr B had with Virgin Money when he was given advice that his account would remain open if he paid the debt in full. While I agree that was a mistake, I don't agree that there is sufficient evidence Mr B wouldn't have made that payment had it not been for that advice. I say that because Mr B explained he would be paying off the balance before Virgin Money's agent mentioned that the account would remain open. It's clear during the call that Mr B always intended to pay the balance and I'm not persuaded that he was unduly influence by the agents misleading advice. It follows that I don't think Virgin Money's advice led Mr B to apportion money to his various debts in a way that he wouldn't have otherwise done and I'm not persuaded that the advice given could fairly be considered to have caused him any financial harm. Indeed, by paying off the debt Mr B will have avoided the interest charges that he enquired about during that call.

Mr B didn't tell the agent that he was struggling with payments, and he didn't mention any indebtedness to other creditors during that call. So, I can't say Virgin Money needed to show sensitivity to Mr B's financial position in those circumstances. During the call it appeared clear that Mr B had the funds to clear his balance.

Virgin Money made mistakes here. They've provided some compensation in relation to those mistakes, that I've set out in the background to this complaint, and I think that compensation has been fair in the circumstances. There were several relatively small issues, and they would have caused some frustration, but the issues didn't cause excessive disruption or inconvenience lasting over a long period.

Virgin Money are free to make a commercial decision about whether to lend or continue to offer a credit facility. I've seen a letter that they say they sent to Mr B that explained they wouldn't be renewing his credit card. While Mr B has explained that he didn't receive the letter I think it's likely that it was sent as Virgin Money's systems suggest and it wouldn't be fair to hold them liable for any failing of the postal service. In those circumstances, I don't think Virgin Money were unreasonable to remove the credit facility.

While we often expect a business to freeze activity whilst a complaint is being considered by this service, we can't insist they do so. So, while I understand Mr B's frustration I can't say Virgin Money were unreasonable to continue with the actions they took.

Mr B didn't pay at least the minimum payment in June and July 2024. Virgin Money have an obligation to report activity on the account accurately to the credit reference agencies so I can't say they were wrong to report those missed payments.

Overall, I think the offer of compensation Virgin Money provided was a fair one and I'm not asking them to take any further action.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 10 September 2025.

Phillip McMahon
Ombudsman