

The complaint

Mrs B complains that Clydesdale Bank Plc trading as Virgin Money declined a transaction she attempted on her credit card.

What happened

Mrs B holds a credit card with Virgin Money. On 13 June 2025 she attempted to make a payment to a merchant for £3,791.69. the transaction was declined, and a temporary block was applied to the account.

Mrs B contacted Virgin Money and confirmed that the transaction was genuine. The block was removed but the transaction was declined to be processed due to security concerns that the transaction would take Mrs B close to the available balance on the account.

Mrs B complained to Virgin Money.

In its final response Virgin Money referred to the terms and conditions of the account which allowed it to prevent or limit the use of the card in certain circumstances. It said it hadn't acted incorrectly but acknowledged that it could've provided better customer service to Mrs B when she visited her branch and offered compensation of £60.

Mrs B remained unhappy and brought her complaint to this service.

Our investigator didn't uphold the complaint. He said there was no evidence that Virgin Money had done anything wrong by restricting the account and said the compensation offered for the customer service issues was fair and reasonable.

Mrs B didn't agree so I've been asked to review the complaint.

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 Mrs B but I agree with the investigator's opinion. I'll explain why.

I've reviewed the terms and conditions of the credit card agreement. These state that in certain circumstances, Virgin Money can prevent or limit the use of the card or decline a transaction where the transaction differs from the customers normal spending pattern or there are other security concerns.

The terms and conditions also state that Virgin Money doesn't guarantee that a customer will be able to use the card and won't be liable for any loses sustained as a result of not being able to use the card.

Virgin Money – like all lenders – is required to have security measures in place to protect customers from potential fraud. Most fraud systems are automated and are triggered when the system flags a transaction as unusual or potentially fraudulent.

This service isn't able to require a lender to change its processes. But we can look at whether the process has been followed correctly and applied fairly.

I've reviewed the system notes. These show that a transaction attempted by Mrs B on 13 June 2025 for £3,791.69 was flagged by Virgin Money's automated system as a potential scam. As a result, the transaction was declined, and a temporary block was placed on the account.

I can see that when Mrs B contacted Virgin Money and confirmed the transaction was genuine, the block was removed, and the transaction was attempted again but wasn't able to be processed due to security concerns.

I appreciate that this must've been a frustrating experience for Mrs B. But having reviewed everything, I'm unable to say that Virgin Money made an error or treated Mrs B unfairly. I haven't found any evidence to suggest that Virgin Money didn't follow its anti-fraud processes correctly, or that it treated Mrs B differently to any other customer who had a transaction declined.

I appreciate that Mrs B didn't receive the customer service she expected when she went into her local branch to query the declined transaction. Virgin Money has acknowledged that it could've done better and has offered £60 compensation for the poor customer service. I think this is fair and reasonable.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 6 November 2025.

Emma Davy
Ombudsman