The complaint

Miss S is unhappy that Clydesdale Bank Plc, trading as Virgin Money, have reported a late payment to her credit file.

What happened

Miss S has a credit account with Virgin. On 11 November 2024, Virgin issued a monthly account statement to Miss S which explained that the minimum monthly payment required on the account was £316.67, which Miss S needed to pay no later than 1 December.

Miss S didn't receive the November account statement, and she didn't make any payment to her account by 1 December as required.

On 10 December, Virgin issued the next monthly statement to Miss S. This statement explained that no payment had been received for the previous month and that the account was therefore in arrears. Miss S received this statement, and on 16 December Miss S made a payment to her account. However, Miss S later noticed that Virgin has reported a late payment to her credit file. Miss S wasn't happy about this, so she raised a complaint.

Virgin responded to Miss S but didn't feel that they'd done anything wrong by reporting the late payment to the credit reference agencies. But Virgin did acknowledge that there had been some confusion surrounding promotional offers that had expired on Miss S's account. Virgin apologised to Miss S for this confusion and paid £50 to her as compensation for any trouble or upset she may have incurred. Miss S wasn't satisfied with Virgin's response, so she referred her complaint to this service.

One of our investigators looked at this complaint. They didn't feel that Virgin had acted unfairly by reporting a late payment to Miss S's credit file. But they felt that one of Virgin's agents had given Miss S an incorrect expectation that she wouldn't incur any missed payment reporting because of what had happened and said that Virgin should pay a further £100 to Miss S as compensation for this.

Virgin accepted the recommendation put forward by our investigator, but Miss S remained dissatisfied and so the matter was escalated to an ombudsman for a final 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.

Miss S has said that she didn't receive the November 2024 statement from Virgin that explained that she needed to make a payment of at least £316.67 to Virgin by 1 December. However, Miss S was set to receive her account statements via email, and I'm satisfied from Virgin's records that the statement was in all likelihood emailed to Miss S on 11 November in the same way that all previous and subsequent account statements were sent.

If Miss S didn't receive that statement, for whatever reason, that didn't affect Miss S's contractual requirement to make at least the minimum monthly payment towards the account for that month. And if Miss S hadn't received an account statement, for a credit account she knew she had to make a payment towards every month, then I would reasonably have expected her to have contacted Virgin before the payment was due to clarify what amount she needed to pay and by when.

Ultimately, Miss S didn't make a payment towards her Virgin account by 1 December as she was contractually required to. And Miss S still hadn't made a payment towards the account by 10 December, when Virgin issued the next monthly statement. This meant that the received payments for that next statement period was zero. Because of this, it doesn't feel unfair to me that Virgin have reported a late payment to Miss S's credit file, because that is an accurate reflection of Miss S's payment history here.

I note that there was some confusion surrounding the end of balance transfer interest free periods on Miss S's account. But the key points here are that Virgin issued a statement to Miss S that explained that she needed to make a payment of at least £316.67 by 1 December and that Miss S didn't make that payment, or indeed any payment, until 16 December, which was after the next monthly statement had been issued.

I can only reiterate that in the absence of receiving a monthly statement, is was Miss S's responsibility to have monitored her account and to have contacted Virgin herself in advance of the payment due date if she wasn't sure how she needed to pay and by when. And because Miss S did make her payment to Virgin later than contractually required, I won't be upholding the primary aspect of her complaint because I feel that the reporting of the late payment to her credit file is fair.

Virgin have acknowledged that there was some confusion surrounding the end of interest free promotional offers on Miss S's balance transfer amounts that took place around this time. This led to Virgin incorrectly reinstating a promotional offer on a balance transfer amount, only to later remove that incorrectly reinstated promotional offer. Virgin have apologised to Miss S for this confusion and have paid £50 to her as compensation.

This feels fair to me, given that the compensation is for the confusion that occurred, and I don't feel that this confusion had any bearing on Miss S not making the payment on time discussed previously, given that Miss S has confirmed that she missed that payment because she didn't receive the account statement.

Virgin also made another mistake by temporarily applying an interest free offer to Miss S's entire account balance. Virgin have explained that this resulted in Miss S's account incurring less interest than it correctly should have done. However, Virgin have also explained that because this was their mistake, and because Miss S has benefited from the mistake – by not incurring the account interest she should have done – Virgin haven't corrected the mistake and applied the interest to Miss S's account that should have been applied but wasn't. Again, this feels fair to me, given that the outcome is clearly in Miss S's favour.

In her correspondence with this service, Miss S noted that one of Virgin's agents had told her that she wouldn't incur a late payment marker on her credit file because of what happened, and Miss S is unhappy that Virgin haven't honoured this point. But upon review, the mistake here isn't that Virgin have applied a late payment marker on Miss S's credit file, but that their agent told Miss S, mistakenly, that she wouldn't incur a late payment marker.

In a scenario such as this, I wouldn't expect Virgin to not report a late payment. But I do feel that Miss S should be compensated by Virgin for the incorrect expectation she developed because of Virgin's agent's mistake. Notably, when Miss S spoke with Virgin's agent, she was always going to receive a late payment marker on her account, because at that time her payment was already late. As such, I don’t feel that Virgin’s agent’s mistake contributed to Miss S incurred a late payment marker, but did give Miss S the incorrect belief that she wouldn’t incur a late payment marker.

In consideration of this point, I’ll be upholding this aspect of Miss S’s complaint and instructing Virgin to pay £100 compensation to Miss S. In arriving at this compensation amount I’ve considered the impact on Miss S of the incorrect information she received, as described above, alongside the general framework this service uses when assessing compensation amounts, details of which are available on this service’s website.

Finally, Miss S has said that her Virgin account statement was confusing. As discussed, there was clearly some confusion surrounding the end of the interest free promotional offers. But importantly, regarding the November 2024 statement, which Miss S has said she didn’t receive, I feel that the information on that statement was clear. And I also feel that if Miss S had called Virgin upon not receiving that statement – as I would reasonably expect her to have done – I’m satisfied that Virgin would most likely have clearly explained to Miss S that she needed to pay £316.67 to her account by 1 December.

I realise this won’t be the outcome that Miss S was wanting, but I hope that she’ll understand, given what I’ve explained, why I don’t feel that Virgin have acted unfairly by reporting a late payment to her credit file and why I won’t be upholding that aspect of her complaint.

Putting things right

Virgin must pay a further £100 to Miss S, in addition to the £50 that they’ve previously paid.

My final decision

My final decision is that I uphold this complaint against Clydesdale Bank Plc, trading as Virgin Money, on the basis explained above.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss S to accept or reject my decision before 16 September 2025.

Paul Cooper
Ombudsman