

The complaint

Miss O has complained about how Clydesdale Bank Plc trading as Virgin Money (Virgin Money) handled a refund claim she made to them

What happened

Miss O purchased a five day driving course from a supplier I shall call 'G' in August 2023 to the sum of £1508.00 on her Virgin Money credit card. After attending part of the training course she said she received fewer hours of training than advertised and felt the trainers were unprofessional.

She asked Virgin Money for a refund by raising a chargeback claim against G and a Consumer Credit Act 1974 ("CCA") section 75 claim ("S75") against Virgin Money.

Virgin Money raised a chargeback but after G objected, decided not to continue because they felt there was no reasonable prospect of success. They also declined the S75 claim, saying there was insufficient evidence of a breach of contract or misrepresentation.

Miss O complained about Virgin Money's handling of her claims. Virgin Money responded in June 2024 explaining why they didn't think they'd done anything wrong.

As Miss O remained dissatisfied she brought her complaint to this service to consider. Our investigator reviewed the available evidence and decided there wasn't enough to say Virgin Money had reviewed her claims incorrectly and they should do anything more.

Miss O didn't agree and asked for an ombudsman to issue a final decision on the matter.

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've read and considered the evidence submitted by the parties but won't comment on it all – only the matters I consider to be central to this complaint. This isn't intended as a discourtesy but reflects my role in resolving disputes informally.

It's important to note that Virgin Money aren't the provider of the services here – so in deciding what is fair and reasonable, I'm looking at their particular role as a provider of financial services. In doing so I note that because Miss O paid for this transaction using a Virgin Money credit card, both chargeback and a S75 claim could possibly help her. So in deciding what is fair and reasonable I've focussed on this.

I also note Miss O had prior complaints regarding the general handling of the chargeback claim and that has been addressed separately. I'll therefore only be looking at the claim considerations and whether Virgin Money were reasonable with mind to all the available evidence.

Chargeback

Chargeback is the process by which settlement disputes are resolved between card issuers and merchants. A consumer isn't entitled to chargeback by right. But where there are grounds to raise one and it has reasonable grounds for success, it is good practice for one to be raised by the card issuer.

However, a chargeback isn't guaranteed to succeed and is governed by the limitations of the particular card scheme rules (in this case Mastercard). I've considered the relevant chargeback rules in deciding whether Virgin Money acted fairly.

The relevant chargeback code here would be 'Goods or Services Were Either Not as Described or Defective'. Virgin Money raised a chargeback but G objected to the claim.

I've therefore considered the evidence available with regard to this chargeback rule and whether Virgin Money acted fairly when they declined Miss O's claim following the merchant's objection.

Did Virgin Money act reasonably in declining the chargeback claim?

Miss O's key submissions for the chargeback claim were as follows regarding why she felt the driving course wasn't as described and not to the required standard:

- She only received two hours of practical driving lessons a day rather than the four hours advertised.
- The classroom sessions weren't to the standards required and didn't cover the required material. In addition, there were also two hours less per day than advertised as the morning and afternoon sessions were one hour in length rather than two.
- Miss O also provided a copy of the course description from G's website which stated that the practical training would be four hours long with a half hour break although it also only referred to a daily two hour morning theory session.

G responded to her claim by saying:

- Miss O failed her theory test during the course and felt she hadn't been ready at the time to take it. G in turn said she could sit in future theory classes until she passed, which was declined. G says Miss O also wasn't sure if she wanted to continue and attend the practical driving lesson that day.
- G's internal notes confirm Miss O didn't return following the theory class on 24 August 2023, so on the fourth day of the five day course and wasn't present for the final day. Miss O says she attempted to complain to G on 24 August 2023 but was unable to contact them.
- G in response said they hadn't heard from Miss O regarding her complaint until the chargeback claim was raised. They provided a copy of their terms and conditions stating that the course couldn't be moved or cancelled without a full loss of fees unless 20 working days notice was given in writing.

The terms also provided information on the course hours and clarified that missed parts of the course wouldn't be refunded. I note that they also state there is no guarantee that a pupil may reach a standard that allows them to pass a test as that would depend on the pupil's ability.

Miss O remained of the position that the theory sessions weren't to the standards expected and also didn't feel she had a professional driving instructor. She said the instructor was on his personal phone during the lessons and also left her alone within the vehicle while he continued the calls outside. She also says she was told her lesson would be shortened on the last day as the driver had religious observance.

Miss O therefore felt the course wasn't as described and to the standards expected. Virgin Money considered all the evidence available but felt there wasn't a prospect of success if the claim was progressed further.

It's important to note that Virgin Money doesn't decide who wins or loses a chargeback. However Virgin Money could've taken the chargeback further and potentially pushed it to arbitration by the card scheme.

Still, looking at the circumstances, it appears there wasn't a reasonable prospect of success here. I say this because the nature of the dispute and the submissions from G means there are doubts as to how the card scheme would be able to effectively arbitrate in Miss O's favour.

While Miss O has said that the quality of the course and its trainers weren't to the required standard or that the promised hours of training weren't given, there hasn't been any further evidence provided beyond her testimony regarding this. For example there isn't any documentary evidence that many of her concerns were raised with G during the course beyond the fact that she felt the theory course was structured incorrectly and she was made to take it too early.

G in response said that their course structure had remained the same and they felt their pass rate was high so they didn't feel there was an issue there.

Given the supplier's objection and the lack of independent evidence showing the course wasn't as described, I don't think Virgin Money acted unfairly by deciding not to progress the chargeback further. Mastercard requires persuasive evidence to overturn a merchant's objection, and I'm not persuaded Miss O's submissions met that threshold.

S75

S75 provides that in certain circumstances the borrower under a credit agreement has an equal right to claim against the credit provider if there is either a breach of contract or misrepresentation by the supplier of goods and services.

To assess a valid claim, Virgin Money would've needed to consider all relevant evidence for the alleged breach of contract or misrepresentation. But for there to be a valid claim under S75 there are certain technical requirements and I'm satisfied they've been met here.

Breach of contract

In considering whether there has been a breach of contract here by G, I've considered both their explicit terms and conditions and the implied terms under the Consumer Rights Act 2015 (CRA).

I've reviewed G's terms and conditions on their website and note that G has the '*right to change their course format, times or content due to unforeseen circumstances*'. While I don't agree that means that the length of the course should be reduced beyond what is stated, it does mean that they may change the format or times as needed.

They also say that no additional time or refund would be provided for lateness, absence or early departure. In this case I note Miss O didn't attend the latter part of her course and so these terms and conditions confirm a refund wouldn't be due for this.

The terms and conditions also confirm that their instructors are DVSA approved under national training standards. It also says that if a theory test is failed, unlimited free training sessions would be offered during scheduled hours – much as was for Miss O.

I've also considered the implied terms under the CRA and specifically s49 which states that *'every contract to supply a service is to be treated as including a term that the trader must perform the service with reasonable care and skill'*.

Miss O said she didn't receive the stated number of hours training for both the practical and theory sections of the course. In addition she says the driving instructor and the classroom trainers weren't of the standards required.

While I appreciate Miss O's position here, on the issue of the hours of training, I've not seen sufficient evidence to support that the required training wasn't provided. I do consider it reasonable for this to have been raised during the course itself but I've not seen any evidence this occurred.

I don't doubt Miss O feels she didn't receive the full hours of training she expected. But on balance I haven't seen enough independent evidence to show the provider failed to deliver what was promised or that the course fell below a reasonable standard.

While I accept Miss O wasn't happy with the quality of the training, G's terms confirm their instructors are DVSA approved and that additional sessions are available if a theory test is failed. I can't see Miss O raised these concerns earlier in the course either, which would've been the best opportunity to resolve them.

Taking everything into account, I can't say there's enough evidence to find there was a breach of contract, or that G failed to provide the course with reasonable care and skill under s49 of the CRA.

Misrepresentation

Miss O said she felt the training course was misrepresented to her because she only received a proportion of the hours advertised.

For there to be a misrepresentation, there must be a false statement of fact that induced her to enter the contract. Our investigator asked Miss O for further evidence showing she'd received less training than promised. She referred to a training schedule she'd seen but couldn't recall if it was during a presentation or in writing, and she wasn't able to provide a copy.

In the absence of anything further - such as written confirmation or correspondence with G about the course hours, I can't say there was a false statement of fact. So I don't think Virgin Money acted unfairly in declining this part of Miss O's claim.

In summary

While I appreciate Miss O's dissatisfaction with her course, I've not seen enough independent evidence to show there was a breach of contract or it was misrepresented. Nor do I think Virgin Money acted unfairly when they chose not to take the chargeback claim further.

For these reasons I won't be asking Virgin Money to do anything more.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 21 October 2025.

Viral Patel
Ombudsman