

The complaint

Mr P complains that Clydesdale Bank Plc trading as Virgin Money failed to adequately support him when he was due to be made redundant.

What happened

Mr P holds a Virgin Money credit card. After telling Virgin Money in early April 2025 that he would shortly be experiencing financial difficulties, it put Mr P's account on hold for a month. He was unhappy that Virgin Money told him that this may impact his credit rating and that it may stay on his report for six years. Mr P found this misleading and upsetting.

Mr P was unhappy that despite providing details of his income and expenditure, Virgin Money didn't confirm that it had set up a payment plan. Mr P wanted Virgin money to accept monthly repayments of £10 and reduce or stop interest charges on his account.

Virgin Money explained that when it spoke to Mr P in early April 2025, it said it would place his account on breathing space for 30 days. During this time, Virgin Money would send out an income and expenditure form and Mr P could call back if he needed to extend the breathing space further. Virgin Money didn't agree that it had made a mistake when responding to Mr P's financial difficulties, but it acknowledged his concerns about the service he'd received from one of its' agents and the app. For this failure, Virgin Money credited £30 to Mr P's account.

Our investigator didn't uphold Mr P's complaint. Our investigator noted that although Mr P sent Virgin Money a completed income and expenditure form, he did so at the time of raising a complaint and weeks before the breathing space was due to end.

Our investigator understood that Mr P didn't answer unknown calls but was satisfied that Virgin Money tried to contact him several times at the beginning of May 2025. Although Mr P said he only wanted to communicate with Virgin Money in writing, our investigator pointed out that despite writing to him in early June 2025, Mr P didn't make further contact with Virgin Money.

Overall, our investigator thought that £30 compensation was a fair acknowledgment of any poor service Mr P initially received because Virgin Money was then able to provide him with better help during the same call.

Mr P was unhappy with the investigation outcome. He didn't think it acceptable that Virgin Money failed to provide clear and unambiguous information about the potential impact on his credit score. Mr P said that the 30-day breathing space wasn't a suitable option for someone facing redundancy. Mr P said that Virgin Money didn't communicate with him in a proactive and timely fashion.

Our investigator's view of Mr P's complaint didn't change, so it has come to me to make 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.

I realise that I have summarised this complaint in less detail than the parties and that I have done so using my own words. The rules which govern the Financial Ombudsman, together with the informal nature of our service, allow me to take this approach. But this doesn't mean I have not read and considered everything the parties have given to us.

To respond to the points of objection which Mr P made to our investigator in turn:

- Failure by Virgin Money to provide clear information about the impact on his credit file

I have listened to the recording of the call with Virgin Money on 2 April 2025. Although Mr P says that Virgin Money told him that the breathing space may impact his credit rating, I can't hear it saying this to him. I can hear Mr P discuss the response of another creditor who he says used vague language about how a one month freeze on his account may affect his credit rating. This makes it difficult for me to find that Virgin Money said a similar thing to Mr P. But even if Virgin Money did talk about the possible impact of the breathing space on Mr P's credit file, I agree with our investigator that it wouldn't be unreasonable to refer to the 'possible' rather than 'certain' impact, given that credit reference agencies and potential lenders may view any reported credit information differently.

- Breathing space unsuitable

When Mr P explained his financial situation to Virgin Money, he referred to another creditor which had put a one month freeze on his account and asked whether Virgin Money could do something similar. So, I don't consider it unreasonable that Virgin Money offered Mr P 30 days' breathing space rather than a long-term plan.

I am satisfied that Virgin Money responded sympathetically to Mr P's financial difficulties. It explained that interest and fees would be stopped for 30 days, and that if Mr P got back in touch, it could look to extend the breathing space. This seems fair.

Virgin Money did discuss the possibility of a long-term plan with Mr P but thought that it would be better to look at this once he had another job which may then allow him to make the necessary repayments. I think this was a reasonable assessment to have made given the fact that Mr P wasn't able to make more than token monthly repayments at the time.

- Failure in communication

I appreciate that Mr P doesn't think that Virgin Money was proactive in its communication with him, but I don't agree. Virgin Money's records show that it wrote to Mr P on 3 April 2025 to confirm the breathing space. The same letter gave Mr P a telephone number to call to discuss setting up a payment plan. So, it should have been clear to Mr P that he would need to call Virgin Money to discuss this further. Virgin Money also told him during the call on 2 April 2025 that he could call back to extend the breathing space if necessary. Again, I consider Virgin Money made it clear what Mr P would need to do.

Virgin Money has supplied evidence that it continued to try and speak with Mr P in early May 2025 once the initial 30-day breathing space ended. Although Mr P doesn't

like to accept anonymous calls, this doesn't mean that Virgin Money acted unfairly by continuing to try and speak with him. In my view it was reasonable to expect Mr P to contact Virgin Money as discussed, to extend the breathing space further if required.

When Mr P complained to Virgin Money in early April 2025, he said he couldn't afford to pay more than £10 a month and gave details of his income and expenditure. I wouldn't have expected Virgin Money to set up a long-term repayment plan at this point as this would usually rely on a customer making more than token repayments. So, it was reasonable for Virgin Money to keep trying to contact Mr P as it did to discuss extending the breathing space. Particularly as Mr P didn't say in his complaint letter that he only wanted to communicate with Virgin Money in writing.

Recently, Mr P asked to add to his existing complaint, as despite entering a debt management plan, Virgin Money has said that it will close his account and sell it to a third-party debt collection agency. As our investigator explained, we are only able to consider events that occurred prior to Mr P referring his complaint to our service to investigate in May 2025. This means I have not considered Mr P's concerns about Virgin Money's recent response to his financial difficulties. Mr P can of course refer a new complaint to Virgin Money, before coming back to us for help if he remains unhappy with the outcome.

In relation to Mr P's current complaint, I have not been persuaded that Virgin Money made a mistake or treated him unfairly. So, I don't require Virgin Money to take further action or pay additional compensation. I am sorry that this is likely to disappoint Mr P.

My final decision

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

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

Gemma Bowen
Ombudsman