

The complaint

Mr P has complained about the way Clydesdale Bank Plc trading as Virgin Money (“Virgin Money”) dealt with a claim for money back in relation to a tablet he purchased using his current account.

What happened

On 12 May 2025, Mr P used his Virgin Money current account to pay £1,452.95 for a new tablet from a supplier I’ll refer to as C. The order form shows that Mr P’s account with C had a delivery address and billing address set to an old address.

Mr P says he visited a local branch of C the following morning (as he’d ordered the tablet late the night before, and C didn’t have a number to call) to update his address to ensure the tablet was delivered to the correct new address. He says he was assured the address had been updated.

When he didn’t receive the tablet, he tried to sort things out directly with C but C said the tablet had been delivered to the address noted on his account. When he was unable to resolve matters with C, he asked Virgin Money for help in getting his money back.

Virgin Money considered raising a chargeback claim on behalf of Mr P but said that C provided evidence that the tablet has been ordered to and delivered to the address that Mr P had on file. So, it was unable to proceed with the chargeback claim.

Mr P remained unhappy and complained. He also appears to have complained about the way he was dealt with during a call, alleging he’d been discriminated against, and with Virgin Money’s decision to close his account. Virgin Money declined his complaint on all three points.

As Mr P remained unhappy, he referred the complaint to our service. Our investigator looked into things and felt the way Virgin Money dealt with Mr P’s chargeback request was fair. Based on the available evidence, it looked like the tablet had been delivered correctly. Additionally, she didn’t think the call handler at Virgin Money acted unreasonably and Virgin Money had closed Mr P’s account in line with the account terms.

Mr P remained unhappy explaining that the investigators view was factually wrong. I understand he feels he updated the address promptly with C, and it was C’s failings that led to the tablet being sent to the old address on file. As the complaint couldn’t be resolved it’s been passed to me 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.

Firstly, I'd like to reassure Mr P, that I have considered all his concerns carefully, but I will only be dealing with the most salient parts of the complaint in this decision as I'm required to decide matters quickly and with minimum formality.

Chargeback

In deciding this complaint, I'm only considering the actions of Virgin Money and how it handled Mr P's request that it raise a chargeback on his behalf. Virgin Money is only responsible for ensuring that Mr P's claim for a refund is correctly processed and is not responsible for everything C did that Mr P might be unhappy with.

Having considered everything very carefully, I have to tell Mr P that I'm not going to uphold this part of his complaint, and I'll explain why.

A chargeback is the process by which payment settlement disputes are resolved between card issuers and merchants, under the relevant card scheme rules. It allows customers to ask for a transaction to be refunded in a number of situations, some common examples being where goods or services aren't provided, where goods or services are defective, or where a credit isn't processed in line with a merchant's refund policy. In this particular case, an appropriate reason might be that goods were not provided by the merchant.

The chargeback rules set out by the card scheme lay down strict conditions which must be satisfied for a chargeback claim to succeed – so customers aren't guaranteed to get a refund through the chargeback process. If a financial business thinks that a claim won't be successful, it doesn't have to raise a chargeback. But where there's a reasonable chance of success, I'd expect a financial business to raise a chargeback.

It's important to note that chargebacks are decided based on the card scheme's rules – in this case Mastercard – and not the relative merits of the cardholder/merchant dispute. So, it's not for Virgin Money – or me – to make a finding about the merits of Mr P's dispute with C, or whether or not the chargeback rules are fair. Virgin Money's role is to consider if Mr P has met the conditions required to enable it to raise a chargeback on his behalf.

Virgin Money said that C informed it that the tablet was delivered to the delivery address that was noted on Mr P's account with C, and his order form which was also his billing address. It also said that once an item is ordered, it is unable to amend the delivery address. C said that the item was dispatched on the 13 May 2025, and it was delivered via special delivery through Royal Mail on 17 May 2025. The item was signed for and as it was sent via special delivery, it wouldn't have been left with a neighbour or in a safe place. As C said the item had been delivered correctly, and Mr P was unable to provide any documentary evidence to support his claim that C had sent it to the wrong address *after* he updated it with his correct address and prove that it hadn't been correctly delivered, Virgin Money said it was unable to proceed with the claim that the goods hadn't been delivered under the chargeback scheme.

I appreciate Mr P is adamant he promptly changed the delivery address at a local branch once he realised the delivery address on his account was a former address – but I think it would be difficult for Virgin Money to proceed with a chargeback based on his testimony alone. Especially when C has confirmed that it is unable to amend a delivery address once an order has been confirmed so even if he had visited the branch, it wouldn't have changed the outcome. His order form does note the old address – and Royal Mail confirmed to C that the item had been delivered and signed for at that address it was sent to.

In a chargeback dispute, the only matters to be considered are the rules set by the card scheme to which the consumer's card belongs, along with the facts of the case. It is not designed to settle complex disputes, to consider legal arguments or take verbal testimony

under oath. Banks generally make their decisions based on the documentary evidence submitted which isn't unreasonable.

In accordance with the rules, as C can show the item was provided, sent to the address it was ordered to, I don't think Virgin money was incorrect to conclude that there wouldn't be a reasonable prospect of success under the scheme rules, so it didn't progress Mr Ps' claim any further.

Based on the available facts, I don't think Mr P's claim was likely to succeed bearing in mind the evidence submitted by C. There wasn't any documentary evidence that the tablet was sent to, or was delivered to the wrong address due to an error on the part of C. It could show the item was delivered in line with Mr Ps' order form. So, overall, I can't say that Virgin Money made any mistake or acted incorrectly by making that decision.

I'm persuaded that Virgin Money took the claim as far as it reasonably could've done based on the available evidence. So, I don't think Virgin Money's response to his request for a refund was unreasonable and I don't ask it to do anymore.

I want to make it clear that I understand that not updating an old address during an order is a simple mistake to make. I appreciate that Mr P says he tried to amend the address promptly once he realised that he'd ordered the tablet to be delivered to the wrong address and feels C sending it out to the old address was an error on its part. But as explained by C, after the order has been confirmed, it is unable to amend the delivery address. And it looks like the tablet was dispatched on the same day that Mr P says he visited the local branch. So, while I fully sympathize with Mr P, that it must be extremely disappointing that he hasn't been able to get his money back through Virgin Money, I am unable to conclude, based on the facts and evidence in this case that the failings of Virgin Money caused him to lose out. I would suggest Mr P contacts the police to see if they can help retrieve the tablet from the person that took delivery of it at the old address.

Other concerns

Mr P has complained about the manner in which he was dealt with during calls to discuss his complaint with a Virgin Money advisor and subsequently a manager. He felt he wasn't listened to, and that he wasn't given time to make his case before being interrupted and this amounted to discrimination given his vulnerabilities. I've listened to the calls, and I can see that Mr P was upset at the outcome of Virgin Money's investigation, that he didn't feel that Virgin Money was taking his testimony into account and that he felt the callers responded to him before he finished speaking. I appreciate the call was tense and can see why Mr P was so disappointed with what the callers said to him, but I don't think they did anything unreasonable. The caller was trying to explain that Virgin Money had decided not to proceed with Mr P's claim, and the reasons why which is a difficult conversation to have. Based on what I've heard, I don't think anything Virgin Money did warrants a compensatory payment in this case.

I also understand Mr P remained unhappy that Virgin Money decided to close his current account with it. I can see it wrote to him on 6 May 2025 to inform him of its decision and provided two months' notice to enable Mr P time to prepare and move his banking elsewhere. As explained by our investigator, this is in line with the terms and conditions of Mr P's account and Virgin Money has given Mr P time to prepare for the closure of this account, so I don't think its acted unreasonably in this case.

Overall, having considered this case in its entirety, I don't think the way Virgin Money dealt with Mr P's chargeback claim was unreasonable. I also don't think it acted unfairly in relation to his other claims. With this in mind, I don't uphold his complaint.

My final decision

For the reasons I've explained, I do not 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 28 December 2025.

Asma Begum
Ombudsman