

The complaint

Mr L complains Clydesdale Bank Plc trading as Virgin Money ("Virgin") failed to identify and take any action when he began spending compulsively. He believes he has suffered financial and emotional harm as a result.

Notes:

Whilst Mr L has brought this complaint with the assistance of a representative, I will refer to him in my decision.

What happened

A summary of what happened is below.

Mr L held an account with Virgin. In 2024, he made a number of transactions from the account, after paying money in. He later complained he'd spent around £47,000 to gambling/crypto operators for which he hadn't had meaningful returns or winnings. He highlighted his spending increased significantly in August, particularly between 19-22, which he said was out of character for the account. He submitted he'd been vulnerable at the time, because of his mental state and serious financial difficulties and this had influenced his actions. He believed Virgin should have identified the excessive spending to prevent financial harm.

Virgin looked into the complaint but didn't think it had made a mistake. It said it didn't have the ability to impose restrictions on gambling transactions and whilst some payments may be flagged for a fraud check, it was ultimately Mr L's responsibility to tell it if he required specific support. Dissatisfied, Mr L contacted us.

One of our investigators looked at the evidence but didn't think Virgin had treated Mr L unfairly. He agreed with its analysis of the complaint.

Mr L asked for his complaint to be escalated to an ombudsman. In doing so, he provided evidence of his mental health and financial situation at the time, explaining he was in a crisis. He reiterated that the scale and frequency of the transactions in August, ought to have triggered concern and prompted action from Virgin, referencing its obligations deriving from the Consumer Duty.

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 summarised this complaint in less detail than Mr L has provided. I've thought about everything that he's said. But if there's something that I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on everything that Mr L has said to be able to reach what I think is a fair outcome.

I won't be upholding this complaint. I'll explain why.

I think it would be useful to clarify that manual reviews, where a staff member actively reviews the account, only happen when there is a specific risk identified that prompts the business to think such a review is necessary. Or where a consumer asks for a review directly or has an agreement in place with the business that such a review will take place, which wasn't the case here. I'll say more below.

I've considered the activity on the account to see if there were any signs of concern. But the account didn't go overdrawn. I accept the frequency of the transactions and amounts increased but that can legitimately happen without there being an underlying issue. Some verification checks were completed by the fraud team, but despite Mr L sharing with us that he was in a crisis, he didn't mention anything that ought to have concerned Virgin when asked if he had any personal circumstances or needs that it should be aware of.

Merchant Category Codes are used by merchants to help banks and credit providers recognise what sort of products are being purchased. There are individual codes for lots of different types of things, for example travel, clothing, dining, and gambling all have their own individual unique codes. I've looked at how the transactions were processed, and almost all weren't put through to Virgin as gambling or crypto, even though from what Mr L says that was the nature of the payments. I'm afraid, there isn't much control on what the merchant acquirer puts down as the type of merchant. Given this, there's nothing in relation to the transaction types that I think ought to have flagged.

I am sorry to hear about Mr L's personal circumstances, I hope he's been able to access appropriate support. I also appreciate he feels strongly that Virgin should have intervened and helped protect him from spending what he did, but having weighed everything, I haven't seen anything persuasive that leads me to conclude that it should have done more and that it failed in any of its obligations under the Consumer Duty. It follows I haven't found Virgin treated Mr L unfairly and so I won't be requiring it to do anything to resolve the complaint.

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 L to accept or reject my decision before 21 October 2025.

Sarita Taylor
Ombudsman