

## **The complaint**

Ms R is unhappy that Clydesdale Bank Plc, trading as Virgin Money, are reporting late payments to her credit file.

## **What happened**

Ms R has a credit card account with Virgin. In 2024, Ms R unfortunately began experiencing financial difficulty and engaged with a debt charity who helped her manage her financial commitments. At first, Ms R didn't ask the debt charity to help her with her Virgin account, as she was still able to make at least the minimum monthly payments required on the account. But in January 2025, Ms R found that she was struggling to make the minimum payments on the Virgin account, so she asked the debt charity to contact Virgin on her behalf.

At the end of January 2025, the debt charity contacted Virgin, explained Ms R's financial position to them, and said that Ms R could afford to offer £56.07 a month to Virgin towards her account balance. Virgin accepted the offer from the debt charity, but when Ms R later checked her credit file, she found that Virgin were reporting late payments to the credit reference agencies ("CRAs") from early 2025 onwards. Ms R wasn't happy about this, so she raised a complaint.

Virgin responded to Ms R but didn't feel that they'd done anything wrong in how they'd reported Ms R's payments to the CRAs. Ms R disagreed, so she referred her complaint to this service where it was reviewed by one of our investigators. But our investigator didn't feel that Virgin had acted unfairly as Ms R contended and didn't uphold the complaint. Ms R remained dissatisfied, 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.

Ms R is unhappy because after the debt charity arranged with Virgin that she would pay £56.07 a month to Virgin, she has made that £56.07 to Virgin every month. And having made her agreed payment every month she feels that it's unfair that Virgin are reporting late payments to the CRAs.

I can appreciate why Ms R might feel this way. But the key point here is that the reports that Virgin send to the CRA are not in consideration of the arrangement that was agreed with the debt charity. Instead, the reports are, and always are, in consideration of the original credit agreement. This means that Virgin aren't reporting whether Ms R met the £56.07 payments but are instead reporting whether Ms R has paid at least the minimum contractually required payment on the account, as per the terms and conditions of the account.

In Ms R's case, the £56.07 payments that she's making to Virgin weren't enough to meet the contractually required minimum payment, which meant that her account fell into arrears, because the contractually required minimum payment was only partially paid. Over the months that Ms R has been making the £56.07 payments, those arrears have grown, and

Virgin have reported those arrears to the CRAs, as they would be expected to have done.

Credit providers such as Virgin have an obligation to make accurate reports to the CRAs. This is so that other credit providers to which Ms R might apply can see an accurate record of how Ms R has managed the credit she already has. And, ultimately, Ms R hasn't been able to meet the contractual payment requirements of the Virgin account, because she's made monthly payments that are less than the minimum contractually required amount. It therefore seems fair to me that Virgin would accurately report this fact to her credit file.

Ms R may question what the point of a payment arrangement is, if the reports to CRA continue to be made against the contractual terms of the credit agreement, which she's explained via the debt charity that she can't meet. But because of having the debt charity engage with Virgin on her behalf, Virgin have frozen the interest and charges on Ms R's account, so that Ms R's account debt doesn't grow, and aren't actively chasing her for the arrears that are accruing on her account.

It also must be noted that, having had it explained that Ms R can't meet the minimum payment requirements on her account because of her financial difficulties, Virgin have an obligation to accept the payment offer made by the debt charity – because to do otherwise would be to require Ms R to make payments that it's been demonstrated to Virgin that Ms R can't afford.

But, to reiterate, the fact that Ms R has been making the payments of £56.07 that she can afford to make doesn't affect the fact that Ms R hasn't been making the minimum payments that are contractually required on the account. And, because Virgin have an obligation to accurately report Ms R's payments in consideration of the contractual terms of the account, which they have done, I don't feel that Virgin have acted unfairly towards Ms R.

I realise this won't be the outcome Ms R was wanting, but it follows that I won't be upholding this complaint or instructing Virgin to take any form of action. I hope that Ms R will understand, given what I've explained, why I've made the final decision that I have.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 23 March 2026.

Paul Cooper  
**Ombudsman**