

The complaint

Ms E complains that Clydesdale Bank Plc trading as Virgin Money (“Virgin Money”) hasn’t refunded her money she paid for a holiday rental, or the consequential losses she incurred. Ms E also complains that Virgin Money handled her claim poorly and unprofessionally.

What happened

In January 2025, Ms E used her Virgin Money credit card to pay £515 to pay a marketplace type website I’ll call ‘A’ for the rental of a lodge for three nights. Ms E says there were several problems with the lodge and the booking, as follows:

- The hot tub wasn’t unusable as it was too cold.
- She asked the owner of the property whether she could check in earlier because of transport issues but this was refused.
- She asked the owner whether he could provide an extra rug if the floors were hard and/or slippery, as she was bringing her dog who had a leg injury. The owner said there was just a small rug by the side of the sofa, but she could bring anything suitable, even though he knew she was travelling by taxi.
- The lodge felt like staying in a shed at the end of a stranger’s garden.
- The lodge and hot tub were directly adjacent to a road with non-stop, fast-moving traffic and the noise was immense – even inside with doors and windows closed.
- The gate to the hot tub area was made of panels with the owner’s house looking directly on to it.
- Strong, musky smell inside and a dirty welcome mat.
- Strict, oppressive rules including dogs having to be on a lead at all times, and a sign telling guests to keep noise to a minimum for their neighbours despite the obscene amount of road noise.
- Dogs not allowed on a grubby sofa due to consideration for other guests’ allergies, but a feather duvet was present in the property.

Ms E told the owner the hot tub was cold on the first evening, who responded saying it was warming back up from the changeover from the previous stay. He said the hot tub usually took up to 24 hours to warm up and told Ms E it would be *‘nice and warm for you tomorrow’*.

Ms E replied suggesting that the owner should have made this clear on the booking. The owner said that A’s terms and conditions explained this, which Ms E disputed.

On the second day, Ms E noticed the hot tub was still cold and unusable and, along with the other problems she had with the booking and accommodation, decided to leave the following day, which was a day earlier than scheduled.

Ms E had e-mailed A on the first night of her stay to complain but didn’t get a reply. She e-mailed them two days later saying she was cutting short her stay asking for a full refund of her booking and a refund of her travel costs, but A didn’t agree to this. So, Ms E contacted the owner of the property who also didn’t agree to refund anything to her.

Ms E then contacted Virgin Money on 17 January 2025 to make a claim under section 75 of

the Consumer Credit Act 1974 (“s75”). Ms E said the holiday she purchased was inherently problematic and not as described. She asked Virgin Money to reimburse her the £515 she paid A, and to meet her claim for £1,816.43 for direct and consequential losses she incurred as a result of the breach of contract. This was broken down as - £246.43 for transport costs to and from the property, £1,320 for three days loss of income and £250 for pain, suffering and loss of amenity.

Virgin Money didn’t provide a full response to Ms E’s claim, although they did offer her £50 for incorrectly sending her submitted claim to the wrong department. They wrote to Ms E on 11 March 2025 saying they would be closing the s75 claim as Ms E hadn’t sent in the information they asked her for to support it.

Ms E then referred the matter to our service, where it was considered by one of our investigators. During this time, Virgin Money raised a chargeback for £515, but this was defended by A, and Virgin Money declined to take this further. They then sent Ms E another letter saying her s75 claim had been declined because they hadn’t received evidence to support her claim.

Our investigator didn’t think Virgin Money needed to refund Ms E the money she’d paid A, or the consequential losses she wished to claim. Our investigator did though think Virgin Money didn’t handle Ms E’s s75 claim appropriately, as they closed it down without giving a full answer, despite Ms E sending in the evidence she wished to submit. And she felt that Virgin Money unnecessarily raised a chargeback when Ms E had made it clear she was making a s75 claim. She recommended that Virgin Money pay £100 to Ms E, to which they agreed.

Ms E didn’t agree with our investigator’s view of the complaint and so it’s been passed to me for 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.

I’d like to make it clear that my decision isn’t about the owner of the property, or the website used by Ms E to book the property, neither of whom are financial services providers and don’t fall within my remit regarding s75. My decision is only about whether Virgin Money acted fairly by declining Ms E’s s75 claim, how they handled both the claim and the overall dispute which includes their decision to raise a chargeback.

There is an obvious problem here from the start. Virgin Money didn’t give Ms E a full response to the merits of her s75 claim, so it’s not possible for me to assess whether Virgin Money handled the merits of the claim fairly and reasonably. I will deal with this a bit later on in my decision. For now, though, I will make my own judgment on what I think Virgin Money likely would have determined, had they carried out a full review.

I note Ms E has said that, not only should she get a full refund of her booking, she should be given compensation for pain, suffering and loss of amenity, travel costs and loss of income. These are consequential losses and would potentially be something that could be considered under a s75 claim.

S75, in short, allows Ms E to make a like claim against Virgin Money for breach of contract and/or misrepresentation on the part of the supplier of goods and/or services. But this can only be made if certain requirements are met. One of those requirements is for a 'debtor-creditor-supplier' agreement to be in place. The easiest way to explain this is by saying that to make a s75 claim against a credit card provider, the person who owns the credit card account needs to have a claim for breach of contract or misrepresentation against the company which was paid using the credit card.

Here, Ms E paid A, not the owner of the property. I've looked at the terms and conditions of A's website, and this makes it clear there were two contracts agreed. The first is the 'rental' contract which was between Ms E and the owner of the property. The second is the 'booking' contract which was between Ms E and A.

The website goes on to say under the section '*our role as agent*' that:

'We act as agent of the accommodation owner ("Owner") by arranging bookings and processing payments. Our responsibilities to you are limited to making the booking and any amendments or cancellations, in accordance with these booking conditions and your instructions'.

The same section goes on to say:

'When you book an accommodation with us, you enter into a legally binding contract with the Owner who is responsible for the provision, presentation and safety of their accommodation; we are not a party to that contract and accept no legal responsibility for acts or omissions of the Owner or their representatives'.

In my view, the above makes it clear that the problems with the accommodation that Ms E experienced are covered by the contract between her and the property owner and that A isn't liable for these issues. Even though A describes themselves as an agent of the property owner, that doesn't mean A took on the responsibility of the owner as well when, as happened here, Ms E agreed to enter a contract with A which specifically makes clear they aren't responsible for any failing by the property owner.

I note also under the section '*complaints about your accommodation*' that A says:

'The contract for the provision and safety of the accommodation is between you and the Owner.....'

Ms E's credit card financed the transaction for the booking, and she paid A to do this. The issues that occurred with the property in my view relate to the contract Ms E had with the owner of the property, not the one she had with A.

That doesn't mean though that A had no responsibility towards Ms E under the booking contract. Under the same section as the one I've quoted above, it says: "*On request, we can try to assist you by communicating with an Owner on your behalf to attempt to resolve any complaints*".

Here, Ms E did contact A on the first night of her stay by e-mailing them but didn't get a reply. However, A has said their phone lines were open from 9am to 8pm seven days a week and I've not seen evidence that Ms E tried to call them. However, I suspect the matter wouldn't have been resolved anyway, as, for example, the owner's response to Ms E's complaint about the hot tub was that she should leave it for a day to warm up, which likely

wouldn't have been relayed to Ms E any differently if A had contacted the owner to discuss this. Plus, A had only agreed to try to resolve matters, and there was no guarantee Ms E's concerns with the property would have been fully resolved for her by their intervention.

Overall, I find that the issues Ms E encountered related to the contract she has with the property owner. And I'm satisfied the requirements for a debtor-creditor-supplier agreement for those issues weren't met due to the contractual inter-relationships of the various parties here. So, the necessary criteria for a successful s75 claim against Virgin Money weren't met. It follows therefore that I don't consider Virgin Money would have upheld Ms E's claim had they considered its merits.

I note that Virgin Money raised a chargeback having first been asked to consider a s75 claim. Arguably that wasn't appropriate as Ms E had made it clear she was claiming not only for a full refund of the booking cost but consequential losses as well. And a successful chargeback would only have resulted in a refund of the booking, not those consequential losses.

However, it could also be argued that, in view of the likelihood of a s75 claim not succeeding, a chargeback was the best-case scenario for Ms E to reclaim some of the money she feels she was owed. Here, A defended the chargeback by referring Virgin Money to their terms and conditions. It's not clear specifically what A said about these but it's likely this was about them not being liable for the issues with the property, in the same way I've interpreted the contractual position between the various parties. Even if that wasn't the defence, the fact the contractual position was such means I think it unlikely it would have been successful if pursued by Virgin Money any further.

I've mentioned earlier on in my decision about Virgin Money focusing on a chargeback rather than dealing with the substance of Ms E's s75 claim, and the monetary claim she wished to make. I don't think Virgin Money acted reasonably here. Firstly, they explained to Ms E they were considering a chargeback out of nowhere, when Ms E has made it clear she wanted to make a s75 claim. And secondly, Virgin Money hadn't given an answer on the merits of the s75 claim, when they should have, as Ms E has sent in everything she wanted to submit.

I think Ms E was caused inconvenience by how Virgin Money went about considering her claim. Even if that, in my view, wouldn't have led to a successful claim for the reasons I've set out above. I find that compensation for the inconvenience caused to Ms E is fair and appropriate, and that £100 is an appropriate award.

Putting things right

Virgin Money should pay Ms E £100 for the inconvenience she was caused by their poor handling of her claim. I make no other award.

My final decision

I uphold Ms E's complaint in part. I direct Clydesdale Bank Plc trading as Virgin Money to take the action I've set out in the 'putting things right' section of my decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms E to accept or reject my decision before 1 January 2026.

Daniel Picken
Ombudsman