

## The complaint

Miss S is unhappy with how Clydesdale Bank Plc trading as Virgin Money (Virgin) handled her claim for goods that were returned but not refunded.

## What happened

The parties are familiar with the background of this complaint, so I will summarise it here, which reflects my informal remit.

In March 2025, Miss S purchased several items of clothing from an online retailer for a total of £398.70. She said she returned all the items but only received a partial refund, leaving an outstanding amount of £244.20. When she was unable to resolve this directly with the retailer, she contacted Virgin to raise a dispute for the remaining amount.

Virgin raised a chargeback in April 2025 and applied a temporary credit. The retailer defended the chargeback, stating it had not received all the returned items and had refunded Miss S only for those it had received. Virgin subsequently sent letters to Miss S requesting further information. When it didn't receive a response, it closed her claim.

In June 2025 when Miss S re-sent evidence to Virgin, it confirmed it was still unable to take the claim further based on the available evidence.

Miss S complained to Virgin and said she had contacted it several times to ask for updates and asked to be contacted by phone or email as she wasn't receiving post. She also said she sent follow up requests but didn't receive a response.

Virgin sent its final response on 5 August 2025. It said it had sent Miss S several letters requesting information to progress the claim and, as it hadn't received the required information, it was unable to continue with the claim. However, Virgin accepted that Miss S had made several attempts to contact Virgin for updates and hadn't received a response. As a result, it credited Miss S' account with £60 for the trouble and upset caused.

When Miss S referred her complaint to our service, an investigator reviewed it and concluded that Section 75 protection under the Consumer Credit Act 1974 didn't apply because each individual item cost less than £100. The investigator also noted that the system records didn't show any evidence that Miss S had requested her communication method be changed to email or phone before the claim was closed. In terms of the chargeback, as there was a lack of persuasive evidence showing that all items were returned, the investigator thought it was unlikely that the claim would've succeeded even if Virgin had taken it further. The investigator did however acknowledge Virgin's communication failings but thought it's £60 payment was fair.

Miss S disagreed. In summary she said Virgin never informed her that it required weight or photograph evidence until after the claim had already been closed. She maintained that she chased Virgin several times to ask what further information was needed but received no response. Miss S also said Virgin continued to communicate via post even though she had advised that this was unreliable for her, and that Virgin then closed her claim stating she'd

failed to respond, which she says was incorrect. Miss S doesn't consider Virgin's goodwill payment of £60 to be adequate compensation for her financial loss of £244.20, which she believes is responsible for.

As Miss S remains unhappy the case has been referred to me 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.

Whilst I've read and considered everything, if I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. This is not meant as a discourtesy but rather reflects my role in resolving disputes with minimum formality.

I don't doubt that this whole situation has been frustrating for Miss S, particularly as she was unable to resolve matters directly with the retailer. However, I should make clear, that in assessing this complaint, I am not considering the actions of the retailer, but rather the actions of Virgin and whether it acted fairly and reasonably in how it handled her request for help in recovering her money.

As Miss S paid using her credit card, I have considered what options were available to her through Virgin to obtain a refund.

### Section 75

Miss S' total purchase amount was £398.70, but this covered several individual items, each priced below £100. Section 75 of the Consumer Credit Act 1974 only applies where a single item or service costs more than £100 and less than £30,000. As each item in Miss S' order was below that threshold, the protections available under Section 75 didn't apply here, and there was no joint liability between Virgin and the retailer for the disputed goods. Therefore, the only other potential route to obtain a refund through Virgin was via the chargeback process.

### Chargeback

A chargeback is a process by which payment settlement disputes are resolved between card issuers and merchants, under the relevant card scheme. It allows customers to ask for a transaction to be refunded in certain circumstances. However, it's not an automatic right, doesn't give consumers legal rights, and is not a guaranteed method of getting a refund, as chargebacks may be defended by merchants.

Chargebacks are decided based on the card scheme's rules – Mastercard here - and not the relative merits of the cardholder/merchant dispute. While it's good practice for a card issuer to attempt a chargeback where certain conditions are met and there's a reasonable prospect of success, there are dispute conditions set by the relevant card scheme that need to be considered. If these are not met, a chargeback is unlikely to succeed. Importantly, something going wrong with a merchant won't always lead to a successful claim.

When Miss S contacted Virgin, it raised a chargeback and applied a temporary credit. The retailer disputed the chargeback, explaining not all the items in the order were returned and it had refunded Miss S for the items that were received. Virgin then wrote to Miss S several times requesting further information to support her claim. When no response was received, the chargeback was closed, and the temporary credit was reversed.

Miss S said she didn't receive Virgin's letters and had repeatedly asked, during the claims process, to be contacted by email or phone. She also said she sent messages and emails between April and July 2025 asking for updates.

I've reviewed the evidence Miss S provided. The communications she referred to specifically dated 21 April 2025 and 18 May 2025, appear to be general update requests rather than specific instructions about her preferred method of communication.

In those messages, Miss S said:

*"...I don't always get all the correspondence from Virgin Bank so I just want to make sure I am on top of my dispute. Please can you advise if there has been any progress on the dispute since your last email" and "I don't always receive all correspondence from Virgin... I'd be grateful if you could confirm whether there has been any further progress since then".*

While I acknowledge that Miss S mentioned she didn't always receive correspondence from Virgin, she didn't clearly specify that she wanted all future contact to be made by email or phone instead of post, or request Virgin to stop using postal communications. And so, I can't reasonably conclude that Virgin should've been aware from these communications that it shouldn't use postal correspondence during the claims process.

Miss S also referred to other emails where she said she was asking for updates (mentioning similarly that she hadn't received correspondence) but these were sent after the claim had already closed. And in relation to the email dated 8 July 2025 - in which she specifically asked for a call back or email response - this was sent to an address marked as unmonitored, so I don't consider Virgin was incorrect not to have acted upon that email.

Taking the above into consideration, there appears to be no clear evidence that Miss S specifically asked Virgin to stop using post and to communicate only by phone, or email, before the chargeback was closed. So, I don't consider Virgin acted unreasonably by continuing to send correspondence and information requests relating to her claim by post while the claim remained open.

I do however accept that Miss S was trying to get updates and that Virgin could have responded more promptly and been more responsive to her update requests. Virgin has already acknowledged this and paid £60 compensation in recognition of the inconvenience caused. I consider this to be a fair and reasonable amount in the circumstances, especially given that I don't consider the delays had impacted the outcome of the chargeback.

I say this because the retailer's defence to the chargeback was that not all the items were returned and that it had refunded Miss S for the items it did receive. For Virgin to have successfully challenged this defence and to pursue the chargeback further, it would've required detailed evidence that every disputed item had been included in the return.

While I appreciate that Miss S believes the information she provided - such as the tracking details and correspondence with the retailer - demonstrated this, I consider further and more detailed evidence - such as verified parcel weight, photographs, or proof of contents - would likely have been required for Virgin to have pursued the chargeback further.

I appreciate Miss S has said if she had received Virgin's request for this information she could have provided it. However, I am not persuaded that she could've provided such evidence. The goods were returned using a locker service, which typically does not provide the same level of detailed evidence as over-the-counter returns, where parcel weight and receipt validation are available. And while I accept that some items were returned (as shown by the partial refund she received from the retailer), Miss S hasn't provided any new

evidence to either Virgin or our service showing that all the remaining items, valued at £244.20 were included in the return parcel and sent back.

So, I consider it more likely than not that she wouldn't have been able to provide sufficient evidence, to overcome the retailer's defence, and believe it's unlikely that the chargeback would've had a reasonable prospect of success even if Virgin had pursued it further.

Overall, I'm satisfied that Virgin handled Miss S' dispute fairly. It raised the chargeback, and when it was defended, it asked for further information and only closed the claim when this wasn't received. When Miss S later contacted Virgin, it acted fairly by reviewing the matter again. Although it ultimately reached the same conclusion as before, I don't consider this decision was unreasonable, or unfair, given the available evidence. Regarding the service issues as I consider Virgin's £60 compensation payment to be fair, I won't be asking it to make any further payment, or do anything further, in relation to this complaint.

I appreciate Miss S is likely to be disappointed with the outcome of this decision, but Miss S is of course, under no obligation to accept this decision. If she remains dissatisfied, she may wish to seek independent legal advice and pursue the matter through a formal channel such as the courts.

### **My final decision**

For the reasons set out above, I do not uphold this complaint against Clydesdale Bank Plc trading as Virgin Money.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 28 November 2025.

Farhana Akhtar  
**Ombudsman**