

## **The complaint**

Mr S complains that Clydesdale Bank Plc trading as Virgin Money failed to monitor his account and didn't intervene when his account behaviour showed signs of financial distress. He wants Virgin Money's actions to be investigated to see if it breached the rules and for a full refund of the unaffordable borrowing from his money transfers. Mr S also wants all interest and charges on the money transfers refunded and compensation for the distress he has been caused.

## **What happened**

Mr S was approved for a Virgin Money credit card in July 2022 with an initial credit limit of £12,500 which was increased to £15,000 in May 2023. He said that between 1 April and 4 May 2025, he made several 0% money transfers totalling £7,000 which he used for gambling. He said that given these happened in a short space of time they demonstrated a pattern of escalating borrowing and financial distress. He said that Virgin Money didn't intervene in the money transfers or carry out additional checks even though the regulations required it to monitor a customer's behaviour and intervene when there were signs of vulnerability. Mr S explained that he was facing significant personal and financial difficulties at the time.

Virgin Money took Mr S's complaint to be about irresponsible lending and issued a final response not upholding his complaint. Our investigator then issued a view stating they thought proportionate checks were carried out before the credit was provided and that the credit appeared affordable. They also commented on the issue Mr S had raised about money transfers and said they didn't think that Virgin Money was wrong to process these.

Mr S said that his main complaint wasn't about the provision of the credit, but that Virgin Money failed to monitor and intervene on his account even though his account behaviour showed signs of financial distress and vulnerability. He wanted this to be fully investigated.

Our investigator contacted Virgin Money with further questions about Mr S's complaint. Virgin Money explained that irresponsible lending was previously considered as Mr S had complained about the credit provided and that the reference to being allowed money transfers also alluded to the potential of unaffordability. It said that regarding the money transfers, there was no concern raised about whether these should have been processed. It explained that customers have the right to complete money transfers without question of what the funds will be used for. It explained that the money transfers Mr S completed were within his credit limit and his account was up to date with no arrears or reasons for it to believe he was in financial difficulty. It said that promotional offers were available at 0% interest which many customer's used to repay other debt. It said this was common in the industry and Mr S's transfers weren't out of the ordinary.

## *My provisional conclusions*

I issued a provisional decision on this complaint because Mr S felt that his core complaint wasn't properly addressed by Virgin Money or our investigator's view and further questions were asked as a result. My provisional decision set out my conclusions in regard to the

issues Mr S had raised and included additional reasoning. The details of my provisional decision are set out below.

*I am sorry to hear of the difficult financial and personal circumstances Mr S has been experiencing and I do not underestimate the financial and emotional strain he has faced. But for me to uphold this complaint, I would need to be satisfied that Virgin Money did something wrong or didn't act when it should have.*

*I note the issue of irresponsible lending has previously been addressed but as Mr S has said that his complaint isn't about the provision of the credit but the monitoring of his account, I haven't considered the issue of irresponsible lending any further. Instead this decision considers whether Virgin Money should have done more in response to Mr S's account usage.*

*Virgin Money has provided details showing that Mr S made five money transfers between 2 April 2025 and 5 May 2025. Three transfers were for £1,000 each and two for £2,000 each bringing the total amount to £7,000. At this time there was a promotional offer on money transfers with 0% interest rate for 16 months and a 3.5% fee. Mr S completed the transfers using his mobile app and agreed to the transfer terms.*

*Mr S has said that he used the funds for gambling. While I note this, I have nothing to suggest that Virgin Money was aware at the time that Mr S had an issue with gambling and I wouldn't have expected it to ask Mr S to specify what he intended to spend the money on. However, we would expect Virgin Money to proactively look for signs that a consumer is struggling – even if the consumer hasn't contacted the credit provider about this.*

*I have looked through the credit card statements Mr S has provided. These do not cover all the months leading up to the money transfers but the statement from March 2025 showed that Mr S had no outstanding balance on his account and had repaid his previous spending in full that month. Mr S also provided a copy of his statement summary for the year of July 2023 to July 2024 which showed he had limited use of the account and had repaid all of his spending without incurring interest. Virgin Money also confirmed that when the money transfers were made Mr S's account was up to date with no arrears. Therefore, based on the evidence I have seen, I do not think that Mr S's account usage prior to the money transfers showed signs that he might be experiencing financial difficulties.*

*Mr S has said that the timing of the money transfers should have raised concerns. I have considered this and can see he took out five money transfers within around a month. However, the total value of these was £7,000 which was well within Mr S's credit limit. Following the first money transfer of £2,000, Mr S made large repayments towards his account in that month (totalling over £1,500) and he also made a payment much larger than the minimum amount the following month. I do not think this shows he was struggling to manage his money.*

*So, while I understand the point Mr S has made and I do not dispute the difficulties he has experienced, I do not think that his account usage or management should have raised concerns with Virgin Money that he was in financial difficulty. The money transfers were at a promotional 0% rate and the total value was comfortably within Mr S's credit limit. Given this, I do not intend to uphold this complaint.*

Mr S responded to my provisional decision. He noted that his money transfers took place in April to May 2025, which was after the Financial Conduct Authority's Borrowers in Financial Difficulty (BiFD) changes (PS24/2) came into effect amending CONC to strengthen protections for borrowers in or at risk of financial difficulty, and requiring firms to be more proactive in identifying and responding to potential harm, particularly for vulnerable

customers. He said that my provisional decision didn't explicitly explain why his pattern of usage would not amount to a relevant indicator under those rules and he asked that this be specifically addressed.

Mr S said that while his total balance remained within his credit limit and there were no arrears, prior to the transfers his card had historically been used lightly and repaid in full. The sudden shift to five large money transfers totalling £7,000 in just over a month represented a clear change in behaviour. He thought this was the sort of change BiFD and the updated CONC provisions were intended to bring into sharper focus and should at least have triggered some form of review or contact to check affordability and wellbeing.

### **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 understand that Mr S believes that Virgin Money didn't take sufficient actions when he took out a series of money transfers in April and May 2024. However, for the reasons I set out in my provisional decision, I do not think that Virgin Money did anything wrong and while I have considered Mr S's comments made in response to my provisional decision, my conclusion hasn't changed. I have explained why below.

Mr S has asked that specific comment be made in regard to the BiFD PS24/2. The objective of BiFD PS24/2 is to secure an appropriate degree of protection for consumers. BiFD PS24/2 states that the new rules '*aim to reduce and prevent harm to those who are in or at risk of payment difficulties by ensuring they are provided with appropriate support.*' It goes on to say this '*requires firms to consider the needs of different consumer groups, particularly vulnerable consumers who may be at greater risk of harm, and take appropriate action to mitigate these risks.*' The policy statement explained that existing requirements were in place for '*firms to monitor a customer's repayment record and take appropriate and proactive action where there are signs of actual or potential repayment difficulties.*' In Mr S's case, his repayment history wouldn't have raised concerns, and I do not think the use of money transfers at favourable rates alone should have led Virgin Money to identify Mr S as a person at risk of not meeting his repayments going forward.

Mr S has referred to the additional protection for vulnerable consumers. However, in this case, based on Mr S's account history with Virgin Money before the money transfers I do not think there was anything to suggest he was struggling financially or vulnerable for another reason. There is nothing to show that Mr S alerted Virgin Money to any issues he was experiencing. Therefore, I do not think that Virgin Money missed an opportunity to identify him as vulnerable before the money transfers were actioned.

Mr S made five money transfers between 2 April 2025 and 5 May 2025. Three transfers were for £1,000 each and two for £2,000 each bringing the total amount to £7,000. At this time there was a promotional offer on money transfers with 0% interest rate for 16 months and a 3.5% fee. I agree that this was a change in his pattern of behaviour as he had previously had limited use of his credit card. However, money transfers can be used for many reasons, and these were being offered at favourable rates. Noting Mr S's credit card limit was £15,000 at the time, the total amount he accessed through the money transfers was less than half the credit available to him and so I do not think this was such that it should have triggered any further questions. As I previously set out, following the first money transfer of £2,000, Mr S made large repayments towards his account in that month (totalling over £1,500) and he also made a payment much larger than the minimum amount the following month. I do not think that this suggested he was struggling with repayments. At this point Mr S raised his complaint.

I note Mr S's comment about the approach taken by this service, and I confirm that in considering his complaint I have taken all relevant rules, regulations and guidance into account but that, as Mr S has noted, my decision is based on what I consider fair and reasonable given the unique circumstances of the complaint.

In conclusion, as I set out previously, I understand the point Mr S has made and I do not dispute the difficulties he has experienced, but I do not think that his account usage or management should have raised concerns with Virgin Money that he was in financial difficulty or was vulnerable such that further action or intervention was needed.

### **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 Mr S to accept or reject my decision before 17 February 2026.

Jane Archer  
**Ombudsman**