

The complaint

Mrs S complains that Clydesdale Bank Plc trading as Virgin Money irresponsibly lent to her.

Mrs S is represented by a solicitor's firm in bringing this complaint. But for ease of reading, I'll refer to any submission and comments they have made as being made by Mrs S herself.

What happened

Mrs S was approved for a Virgin Money credit card in May 2022, with a £3,100 credit limit. Mrs S says this was irresponsibly lent to her. Mrs S made a complaint to Virgin Money, who did not uphold her complaint. Virgin Money said that they were unable to agree they acted incorrectly as they deemed the credit limit was appropriate for Mrs S' circumstances at the time of her application. Mrs S brought her complaint to our service.

Our investigator upheld Mrs S' complaint. He said that Virgin Money hadn't factored into the affordability assessment the repayments for the £3,100 credit limit, therefore Mrs S wouldn't be able to afford and sustain repayments for this credit limit.

Virgin Money asked for an ombudsman to review the complaint. They said Mrs S requested a fixed direct debit repayment of £75, which was treble the minimum repayment of £25. They said Mrs S also made overpayments on the account and she would have disposable income in order to sustainably afford repayments. She also completed a balance transfer.

As my findings differed in some respects from our investigator's, I issued a provisional decision to give both parties the opportunity to consider things further. This is set out below:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Before agreeing to approve the credit available to Mrs S, Virgin Money needed to make proportionate checks to determine whether the credit was affordable and sustainable for her. There's no prescribed list of checks a lender should make. But the kind of things I expect lenders to consider include - but are not limited to: the type and amount of credit, the borrower's income and credit history, the amount and frequency of repayments, as well as the consumer's personal circumstances. I've listed below what checks Virgin Money have done and whether I'm persuaded these checks were proportionate.

The information showed that Mrs S had no County Court Judgements (CCJ's) or defaults being reported by the Credit Reference Agency (CRA), and no accounts in arrears at the time of the checks.

Mrs S declared a gross annual income of £18,000. The CRA informed Virgin Money that Mrs S had unsecured debt of £2,461 which £2,338 was for revolving debt (such as any credit cards/store cards/overdrafts she had). The remaining £123 was for non-revolving debt (such as personal loans/hire purchase agreements etc).

Virgin Money completed an affordability assessment for Mrs S. The affordability assessment

took into account that Mrs S wanted to make a balance transfer for £800. But I'm minded the repayments for the £3,100 credit limit needed to be affordable and sustainable when no promotional interest rate was charged also. The affordability assessment showed that the repayments for the £3,100 credit limit would just about be affordable and sustainable for her.

But I do think it would have been proportionate for Virgin Money to have completed further checks here. The CRA told Virgin Money that Mrs S had made three cash advances in the last three months. While I'm mindful cash advances are a legitimate feature of a credit card, it could also be a sign of financial difficulty, and it is often an expensive way to borrow.

There's no set way of how Virgin Money should have made further proportionate checks. One of the things they could have done was to contact Mrs S to ask her why she kept making cash advances in a short period of time, and to ensure she could make sustainable and affordable repayments for the credit limit provided. Or they could have asked for her bank statements as part of a proportionate check to ensure the lending was sustainable and affordable for her.

I asked Mrs S to provide her bank statements leading up to this lending decision, but despite providing an extension to her, I did not receive the statements by the deadline given.

So on the face of it, it does look like Virgin Money should've looked more closely into this. But as my role is impartial, that means I have to be fair to both sides and although I'm satisfied that Virgin Money should've done more checks here – I can't say whether further checks would've revealed further information which means they wouldn't have lent. So as Mrs S hasn't provided me with all of the information I asked her for, that means that it wouldn't be fair for me to say that Virgin Money shouldn't have lent here, because I don't know what further checks would reveal.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I can't conclude that Virgin Money lent irresponsibly to Mrs S or otherwise treated her unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here."

I invited both parties to let me have any further submissions before I reached a final decision. Virgin Money accepted the provisional decision. Mrs S responded to explain her personal circumstances and the reasons why she was not able to get the information I need.

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 thank Mrs S for explaining to me why she had been unable to get the information I asked her for. I won't share the personal reasons that Mrs S told me about to help protect her identity here, but I hope that her health is improving.

I did offer Mrs S an extension to get this information for me, but Mrs S didn't respond to the new deadline I set, which I can understand why based on what she previously told me, but I still wanted to provide her with an opportunity to do so. Again, I'd like to take the opportunity to wish Mrs S well with her health.

As neither party have provided me with any further information to consider, then my decision and reasoning remains the same as in my provisional decision.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 16 January 2026.

Gregory Sloanes
Ombudsman