

The complaint

Mr M complains that Clydesdale Bank Plc trading as Virgin Money (“Virgin Money”) shouldn’t have accepted his application for a credit card as the lending was irresponsible.

What happened

Mr M applied for a credit card with Virgin Money in September 2024 which was accepted. Virgin Money gave Mr M a credit limit of £3,200. The credit limit was never increased.

Mr M complained to Virgin Money in 2025 saying the lending was irresponsible. Virgin Money didn’t uphold Mr M’s complaint. They felt they acted appropriately when they decided to approve Mr M’s application. Virgin Money said their decision was made using details provided to them by Mr M and information held with credit reference agencies about the performance of other products Mr M held. And Virgin Money said there was nothing within the information they gathered that showed Mr M was experiencing financial difficulties.

Mr M wasn’t happy with Virgin Money’s response and so he referred his complaint to our service. Our investigator didn’t uphold Mr M’s complaint. She felt Virgin Money had carried out proportionate checks when they assessed Mr M’s application and that they’d made a fair lending decision from those checks.

Mr M didn’t agree and so his complaint has been passed to me to decide.

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.

We’ve explained how we handle complaints about unaffordable and irresponsible lending on our website. I’ve used this approach to help me decide Mr M’s complaint.

Virgin Money needed to make sure it didn’t lend irresponsibly. In practice, what this means is they needed to carry out proportionate checks to be able to understand whether Mr M could afford to repay any credit it provided.

Our website sets out what we typically think about when deciding whether a lender’s checks were proportionate. Generally, we think it’s reasonable for a lender’s check to be less thorough - in terms of how much information it gathers and what it does to verify it – in the early stages of a lending relationship.

But we might think a lender needed to do more if, for example, a borrower’s income was low or the amount lent was high. And the longer the lending relationship goes on, the greater the risk of it becoming unsustainable and the borrower experiencing financial difficulty. So, we’d expect a lender to be able to show that it didn’t continue to lend to a customer irresponsibly.

Virgin Money says it agreed to Mr M’s application for a credit card after it obtained information on his income and carried out a credit search. And the information obtained indicated that Mr M would be able to make the monthly repayment due on a credit limit of

£3,200. On the other hand, Mr M says he shouldn't have been lent to given his existing debts at the time.

Mr M was provided with a revolving credit facility rather than a loan. And this means that to start with, Virgin Money was required to understand whether a credit limit of £3,200 could be repaid within a reasonable period of time, rather than all in one go. It's fair to say that a credit limit of £3,200 wouldn't have required especially large monthly repayments, in order to clear the full amount owed within a reasonable period of time.

From the information provided, it looks like Mr M declared that he was employed and earning £42,000 a year. There isn't anything to indicate this wasn't accurate at the time. Indeed, Virgin Money appears to have cross checked this against information from credit reference agencies and this didn't suggest any inconsistency. So, I'm satisfied that Virgin Money was entitled to rely on this declaration.

Virgin Money's credit check also didn't indicate that Mr M had any recent difficulties repaying credit – such as defaulted accounts or county court judgments – either. Furthermore, while Mr M has referred to being excessively indebted, this wasn't reflected in Virgin Money's credit checks as these show that he had active debt balances of £1,784 at the time of the application. For the sake of completeness, I'd also add that this wasn't excessive compared to Mr M's validated income.

Having seen these results, I'm satisfied that the information that Virgin Money gathered showed that it was fair and reasonable for it to offer Mr M a credit card with a limit of £3,200. This information does appear to show that the required payments were affordable. I'm therefore satisfied that Virgin Money carried out reasonable and proportionate checks and this showed that Mr M could afford to repay £3,200 within a reasonable period of time.

I fully accept it's possible that Mr M's position might have been worse than what it looked like from the information Virgin Money was provided with. But it wouldn't be fair and reasonable for me to say that Virgin Money should have known this was the case at the time it was making its lending decision. This is especially as the circumstances here leave me satisfied that it was fair and reasonable for Virgin Money to have relied on the information that it had.

In reaching my conclusions, I've also considered whether the lending relationship between Mr M and Virgin Money might have been unfair to Mr M under section 140A of the Consumer Credit Act 1974 ("CCA").

However, for the reasons I've given, I've not been persuaded that Virgin Money irresponsibly lent to Mr M or otherwise treated him unfairly in relation to this matter. And I haven't seen anything to suggest that section 140A of the CCA or anything else would, given the facts of this complaint, lead to a different outcome here.

I'm sorry to hear that Mr M has struggled to make his credit card payments. But I don't think that Virgin Money treated him unfairly or unreasonably when providing him with his credit card. This means I won't be upholding Mr M's complaint.

My final decision

For the reasons I've given in this decision, I don't uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 6 March 2026.

Daniel Picken
Ombudsman