

The complaint

Mr S complained about the way Clydesdale Bank Plc trading as Virgin Money (Virgin Money) administered his credit card account.

I've reviewed the complaint and having considered all the information, I won't be asking Virgin Money to do anything more to resolve the complaint.

What happened

Mr S had breathing space issued under the government scheme applied to his account. As this was coming to an end Mr S discussed his options going forward and Virgin Money said that it applied a further breathing space on the account outside of the government scheme. However, it said this was incorrect as the breathing space under the government scheme was still active on Mr S' account. It said it contacted Mr S to explain what had happened, and Virgin Money accepts this call could've been handled better. Mr S also complained about Virgin Money asking him to repay the debt and thought that he'd been discriminated against because he was unable to pay due to his disabilities and didn't want a default recorded on his credit file.

In response to Mr S' complaint Virgin Money agreed to pay him £75 compensation for the confusion caused as a result of Mr S' account being discussed during a period where breathing space was applied under the government scheme. However, it referred to the terms and conditions which detail when an account may be defaulted and didn't agree with Mr S' concerns about disability discrimination. It said that the terms and conditions detail when an account may default if an account remains in arrears and this may result in the account defaulting. It explained that it had a specialist support team who could help and support customers with health conditions and disabilities and said that it had asked this team to contact Mr S.

Mr S referred his complaint to the Financial Ombudsman. He explained that he didn't agree with Virgin Money's position on potentially defaulting the account. He said that he felt that Virgin Money was being discriminatory because he was unable to make payments due to being unable to work because of his disabilities. And he wanted it to clear the outstanding balance.

Our investigator considered the complaint but didn't uphold it. He said he thought Virgin Money acted fairly by compensating Mr S for the confusion about the breathing space applied to his account. However, he said he considered what was fair and reasonable and he thought Virgin Money had a responsibility to report accurate information about Mr S' account and he didn't think it acted unfairly.

Mr S didn't agree. He said that Virgin Money included his complaint about discrimination concerns in its final response letter when he said he didn't accept its position on that. He didn't agree that it was fair that firms could report a default if a customer was unable to pay due to being out of work as a result of their disabilities.

As the matter remains unresolved it 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.

I want to acknowledge that I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I want to assure Mr S and Virgin Money that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

When considering what is, in my opinion, fair and reasonable, I take into account relevant law and regulations; regulator's rules including the Consumer Duty, guidance and standards; codes of practice; and what I believe to have been good industry practice at the relevant time. Where evidence is incomplete, inconsistent or contradictory, I reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence and wider circumstances.

I've listened to the calls Mr S has made to this service when he first brought his complaint to us and when he spoke to the investigator after he issued his assessment. I understand Mr S has said that he accepted the compensation offered for the customer service he received and the confusion caused about breathing space that was applied to his account. As this part of the complaint seems to be resolved I've not considered this further, but for completeness I think the £75 compensation Virgin Money paid was a fair way to resolve this complaint point and for any confusion caused. However, I understand the core of Mr S' complaint is about Virgin Money's position on recording information about his account.

At the point of Mr S' complaint he was worried that a default would be added due to his financial difficulties, and he said he didn't want a default applied to his account. Virgin Money said this wasn't guaranteed and offered support in discussing Mr S' financial difficulties. It doesn't appear a default was added at that time.

I understand Mr S said he thinks Virgin Money has discriminated against him, however based on the available evidence I'm not persuaded that Virgin Money has acted unfairly. I appreciate Mr S has said that he is in financial difficulty because he said that he was unable to meet the required payments as he couldn't afford to pay because he is unable to work due to his disability. In this scenario I would expect that Virgin Money treat Mr S with forbearance, and I can see that it offered for Mr S to discuss his circumstances with a specialist team. And although Mr S may not have been able to meet his contractual obligations, I don't think this means that Virgin Money shouldn't have recorded the account status to the credit reference agencies. The terms and conditions of the account states that if the minimum payment isn't received into the account, Virgin Money may let the credit reference agencies know that Mr S has not paid and this could make it more difficult for him to get credit.

Virgin Money has said it applies the applicable terms to all its customers. While Mr S may have specific reasons why he was unable to pay, I don't consider Virgin Money treated Mr S any differently to other consumers when recording information on his credit file, so I don't consider it acted unfairly. I also don't think Mr S' disabilities guarantee the debt will be written off or the default not reported.

I understand Mr S was unhappy that Virgin Money included his complaint about recording a default in the same final response letter he was issued about the poor customer service he received. I acknowledge his concerns; however, I'm satisfied that Virgin Money addressed the complaints Mr S raised in line with its regulatory obligations. I note that Virgin Money

included Mr S' rights to refer the complaint to the Financial Ombudsman and he was able to refer his complaint to this service about the complaint points he was unhappy with. So, I don't think that the inclusion of his complaint points in the final response has caused him a detriment here. As I've considered Mr S' complaint up to the point the final response letter was issued, if he is unhappy with the actions of Virgin Money after this he can complain about this separately to Virgin Money.

I understand Mr S has said this has affected his mental health, and I'm very sorry to hear about the impact this has had on Mr S. I know Mr S will be disappointed with my decision however, based on the information available to me, I don't consider that Virgin Money acted unfairly in explaining its position about recording information about Mr S' account to the credit reference agencies. It also offered him support as I would expect. I think it acknowledged that it made an error with its communication about the breathing space applied to his account, and I think the compensation it offered was a fair way to resolve this part of Mr S' complaint. Therefore, I won't be asking it to take any further action.

My final decision

My final decision is that I don't 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 13 April 2026.

Amina Rashid
Ombudsman