

The complaint

Mr C complains that Clydesdale Bank Plc, trading as Virgin Money, have unfairly applied interest to his account.

What happened

In March 2020, Mr C missed a payment on his credit card account with Virgin. As a result, Virgin withdrew promotional interest-rate offers that had previously been applied to his account.

Mr C contacted Virgin about the situation and Virgin agreed to reinstate the promotional offers, refund the interest that had been charged following the missed payment, and remove any missed-payment markers that had been reported to the credit reference agencies. Virgin also applied a six-month payment holiday to Mr C's account at this time.

In March and April 2021, Virgin emailed Mr C to notify him that his promotional interest-rate offers were due to expire. When Mr C's statement was generated on 10 May 2021, it confirmed that the promotional offers had naturally come to an end, and interest was then applied to account spending in line with the account terms.

In June 2021, Mr C contacted Virgin's Credit Services team to explain that he was experiencing financial difficulties. In response, Virgin applied a 30-day breathing space period, pausing interest, fees, and collections activity while Mr C considered his options. During that hold, Mr C provided income and expenditure information and based on that information Virgin encouraged him to seek advice from debt-management organisations.

Mr C spoke with Virgin again on 29 July 2021. During that call, Virgin agreed to apply a further forbearance plan to Mr C's account which remained in place until June 2022. When that plan ended in June 2022, interest began accruing on Mr C's account in accordance with the account terms.

In July 2025, Mr C raised a complaint with Virgin as he was unhappy with the interest charged on his account, which he felt has been applied unfairly. Virgin responded to Mr C but didn't feel that they'd done anything wrong in applying interest to his account, which they confirmed had been done in accordance with the account terms. Mr C wasn't satisfied with Virgin's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that Virgin had treated Mr C unfairly and didn't uphold the complaint. Mr C didn't agree, so the matter was escalated to an ombudsman 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.

In his submissions to this service, Mr C has raised several points of complaint that he hasn't

previously raised as complaints with Virgin directly. However, the rules by which this service must abide, which can be found in the Dispute Resolution (“DISP”) section of the Financial Conduct Authority (“FCA”) Handbook, include that this service can only consider points of complaint that have been previously raised with the respondent business.

This means that I don’t have the remit or authority to consider the further points of complaint that Mr C has raised. If Mr C remains unhappy about these further points, I can only refer him to Virgin to raise those points with them in the first instance, so that Virgin have a formal opportunity to consider and respond to those points. Once Virgin have had such an opportunity, it may be that Mr C has the right to refer those points of complaint to this service, should he still wish to do so at that time.

Mr C feels that Virgin have applied interest to his account unfairly and haven’t taken account of the difficult personal and financial circumstances he’s experienced since 2020.

Having reviewed the evidence, I’m not persuaded that Virgin have treated Mr C unfairly. They applied several forms of forbearance over an extended period — including interest freezes, payment holidays, and tailored support — which, in my view, shows they took Mr C’s circumstances seriously and responded appropriately.

When interest was later applied, I’m satisfied this was done in line with the account’s terms and conditions, which Mr C agreed to when the account was opened. The interest he has since incurred arises from spending that he did not fully repay, and in those circumstances, I consider it fair that Virgin applied interest to the outstanding balance.

It isn’t clear whether Mr C sought further support from Virgin after the forbearance plan ended in June 2022. However even if he had, I’m not persuaded Virgin would have been obliged to offer more assistance, given the level of support already provided and the short-term nature of such measures.

Mr C has suggested that because he presently doesn’t have access to his Virgin credit card, that it isn’t right that Virgin charge interest to the account. But the fact that Mr C doesn’t have access to his card means that he can’t undertake further spending and doesn’t affect the fairness of Mr C incurring interest on spending that he’d previously made – which as explained, I feel is fair.

Ultimately, I feel that the several forbearance measures that Virgin did apply to Mr C’s account gave him an opportunity to recover his financial position and clear the balance of his Virgin account, which would of course prevented interest from being accrued. If Mr C tangibly couldn’t do this because of his difficult circumstances, then that is unfortunate. But there’s a limit to the amount of forbearance a credit provider is reasonably expected to provide, and that application of interest to a credit card balance is a fundamental feature of such borrowing.

All of which means that I don’t feel that Virgin have treated Mr C unfairly here in the manner he contends, and it follows from this that I won’t be upholding this complaint or instructing Virgin to take any action. If Mr C remains in financial difficulty, I can only suggest he engages with Virgin directly. He may also wish to consider seeking more general debt help or advice if he feels that it appropriate.

Finally, to confirm, my assessment here has been focussed on the points of complaint that it is within my remit to consider, as discussed above. Mr C has made several further points of complaint directly to this service, including about Virgin not adhering to promises they made when reinstating the promotional interest-rate offers in 2020 and about Virgin not issuing a new credit card to him at his request. If Mr C remains unhappy about these points, I can only

refer him to Virgin in the first instance, as discussed above.

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 C to accept or reject my decision before 18 March 2026.

Paul Cooper
Ombudsman