

## The complaint

Miss H is unhappy that Clydesdale Bank Plc trading as Virgin Money didn't close her account.

## What happened

On 20 March 2025, Miss H cleared the balance of her Virgin credit account and submitted an online request to close the account. At that time, Miss H was experiencing significant challenges with her mental health which included compulsive spending and wanted to close the account in consideration of this. But Virgin didn't action her account closure request, and because the account remained open Miss H began spending on it again. Miss H wasn't happy that Virgin's failure to close the account had enabled her to do this, so she raised a complaint.

Virgin responded to Miss H but didn't feel they had done anything wrong and explained that when Miss H had made the payments to clear the account, she had paid more to her account than she owed, meaning that her account was in surplus.

Virgin also explained that this meant that they couldn't close Miss H's account until the surplus was either reimbursed to Miss H or dissolved through account spending, and they noted that they had sent an email to Miss H asking her to call them so that they could discuss the surplus with her but that Miss H hadn't responded to that email. Miss H wasn't satisfied with Virgin's response, so she referred her complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that Virgin had acted unfairly towards Miss H or in how they had administered her account. Miss H 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.

I issued a provisional decision on this complaint on 11 February 2026 as follows:

*In her submissions to this service, Miss H has made several points of a regulatory or legal nature. I'd therefore like to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such. This means that it isn't within my remit here to declare that Virgin have or haven't acted in a non-regulatory or unlawful way.*

*Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account in a general sense when arriving at our decisions, our remit is ultimately focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the circumstances and factors of a complaint into consideration.*

*I also note that Miss H has provided several detailed submissions to this service regarding*

her complaint. I'd like to thank Miss H for these submissions, and I hope that she doesn't consider it a discourtesy that I won't be responding in similar detail here. Instead, I've focussed on what I consider to be the key aspects of this complaint, in line with this service's role as an informal dispute resolution service.

This means that if Miss H notes that I haven't addressed a specific point that she's raised, it shouldn't be taken from this that I haven't considered that point. I can confirm that I've read and considered all the submissions provided by both Miss H and Virgin. Accordingly, if Miss H notes that I haven't responded to a specific point she's raised, I confirm that I have considered that point but I don't feel it necessary to address it directly in this letter to arrive at what I consider to be a fair resolution to this complaint.

Another point that I feel should be clarified here is that this service can only consider points of complaint that have previously been referred to the respondent business directly, so that the business has had a formal opportunity to consider and respond to those points of complaint.

I confirm this point because I note that in her ongoing submissions to this service, Miss H has said that she isn't happy with how Virgin have treated her after she raised her complaint. But if that is the case, that would fall outside of what I can consider here, because my remit is limited to considering the actions about which Miss H complained to Virgin and doesn't extend to Virgin's actions after Miss H complained. For the same reason, it also doesn't extend to any dissatisfaction Miss H may have about Virgin's actions before she complained to them, but which Miss H didn't refer to Virgin as part of her complaint.

As such, if Miss H remains unhappy about these further points, I can only refer her to Virgin to raise her dissatisfaction with them directly as a new complaint. This would give Virgin a formal opportunity to respond to that new complaint, after which time Miss H may have the right to refer those points of complaint to this service, should she still wish to do so.

Similarly, this service also can't consider points of complaint about how a business has handled a complaint. This is because this service's remit and authority cover regulated financial matters. And how a business handles a complaint is not a regulated financial matter, even when the subject of that complaint is a regulated financial matter.

On 20 March 2025, Miss H made two large payments to her account which she believed would take the balance of the account to zero. Unfortunately, Miss H overpaid her account, meaning that following the two payments her account held a surplus balance. And Virgin have explained that it was because of this surplus balance that Virgin couldn't close Miss H's account when she submitted an online account closure request later that same day.

Because Virgin couldn't close Miss H's account they sent her an email, titled 'Your online request', on 22 March, which read as follows:

"We need to speak to you about the online form request on your Virgin Money Credit Card. Please give us a call on 0800 011 3210 - We're here Monday to Saturday 8am to 8pm and 10am to 5pm on Sundays."

By taking this action, I don't feel that Virgin have acted fairly towards Miss H. I say this because credit card holders have a right to cancel an account at any time, so long as there is no balance owed to the credit provider at the time of the cancellation request. In this instance, Miss H didn't owe any balance to Virgin. Instead, there was a surplus balance. And I feel that if Virgin's systems and processes were such that they couldn't action Miss H's account closure request at that time, it was for them to have ensured that Miss H's account would be closed at the earliest possible opportunity.

*Importantly, I also feel that having received the account closure request from Miss H, Virgin should have stopped all further spending on the account until the surplus amount was reimbursed to Miss H and the account could be closed. This is because it's inherent in an account closure request that no further spending will be undertaken on the account, because it will be closed.*

*Ultimately, I feel that having received the account closure request from Miss H, the onus was on Virgin to have ensured that enabled Miss H to avail of her right to close her account. And this is regardless of any restrictions surrounding surplus balances that Virgin's systems might have.*

*Virgin may argue the email they sent to Miss H inviting her to contact them was a clear indication to Miss H that they needed to speak with her about her account closure request. I agree that it was, but it doesn't alter my position that having received the account closure request Virgin should have prevented all further spending on the account. And by allowing Miss H to spend on the account after she had submitted an account closure request to them, I don't feel that Virgin acted fairly.*

*Accordingly, I'll be provisionally upholding this complaint in Miss H's favour and instructing Virgin to reimburse to Miss H's account all interest, fees, and charges applied to the account after 20 March 2025. If this reimbursement leaves the account with a surplus balance, Virgin must close the account and reimburse that amount back to Miss H along with 8% simple interest, calculated from when the surplus would have first developed to the date of reimbursement back to Miss H. Virgin must also correct Miss H's credit file accordingly, so that it shows that the account was closed in March 2025.*

*If the reimbursement of interest, fees, and charges leaves Miss H's account with a balance still outstanding to be paid, Virgin must ensure that Miss H cannot undertake any further spending on the account and must not charge any further interest, fees, or charges to the account. Virgin must also arrange an affordable payment plan with Miss H for the remaining balance. And, when Miss H fully repays the outstanding account balance that remains, Virgin must then correct Miss H's credit file so that it shows that the account was closed in March 2025.*

*Finally, Virgin must pay £500 compensation to Miss H for the frustration and upset that she's incurred here. In arriving at this compensation amount I've considered that the impact of Virgin's failure to prevent Miss H from spending on her account has been exacerbated by the difficult circumstances Miss H has experienced, including her mental health, as well as the prolonged length of time that this matter has been ongoing. Additionally, I've also considered the general framework this service uses when assessing compensation amounts, details of which are available on this service's website, and having done so I feel £500 is a fair compensation amount.*

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Virgin responded to my provisional decision and confirmed their acceptance of it. Miss H also responded and asked me to consider instructing Virgin to write off the entire balance of her account as she felt that would more fairly return her to the position she would have been in had Virgin closed her account when they should have. Miss H also provided medical documents in support of her position that she was struggling with compulsive spending linked to post-natal depression and anxiety.

I'm mindful of the difficult personal circumstances that Miss H has described, but upon consideration, I don't feel that it would be fair or reasonable for me to instruct Virgin to write off the balance of her account as she would like.

There are several reasons for this. This first is that it's generally the view of this service that if a person has had the benefit of borrowing, that they should pay it back. And Miss H has had the benefit of the money she borrowed from Virgin using her credit card.

My position here is that Virgin should have closed Miss H's account when she asked them to. Because of this, I don't feel that Virgin should benefit from allowing Miss H to spend further on her credit card, and I don't feel that Miss H should pay any interest, fees, or charges on the amount that she's borrowed. But I do feel it's fair that she should repay the capital amount that she's had the benefit of.

I also don't feel that I can reasonably say that Miss H couldn't have acted than she did when undertaking the further spending. This is because Miss H had demonstrated that she could act with a view to managing her spending compulsion because she had requested that the Virgin account be closed. And, as an impartial party, even considering the information provided by Miss H, I don't feel I can fairly say that Miss H couldn't act in a manner that she had recently acted in.

None of which is to invalidate the challenges that Miss H faced here and which she had sought to manage when instructing Virgin to close her account. But for the reasons explained above, I feel that instructing Virgin to reimburse all interest, fees and charges on the account, so that only the spending balance remains, and to then not charge any interest, fees or charges moving forwards on that balance, is fair corrective action here. This is in addition to the amendment of Miss H's credit file (when any remaining outstanding balance is cleared) and the payment of £500 compensation.

All of which means that my final decision is that I uphold this complaint in Miss H's favour on the basis described in my provisional decision. I hope Miss H will understand, given what I've explained, why I've made the final decision that I have.

### **Putting things right**

Virgin must reimburse all interest, fees, and charges applied to Miss H's account after 20 March 2025.

If this reimbursement leaves the account with a surplus balance, Virgin must close the account and reimburse that amount back to Miss H along with 8% simple interest, calculated from when the surplus would have first developed to the date of reimbursement back to Miss H. Virgin must also correct Miss H's credit file accordingly, so that it shows that the account was closed in March 2025.

If the reimbursement of interest, fees, and charges leaves Miss H's account with a balance still outstanding to be paid, Virgin must ensure that Miss H cannot undertake any further spending on the account and must not charge any further interest, fees, or charges to the account. Virgin must also arrange an affordable payment plan with Miss H for the remaining balance. And, when Miss H fully repays the outstanding account balance that remains, Virgin must then correct Miss H's credit file so that it shows that the account was closed in March 2025.

Finally, Virgin must pay £500 compensation directly to Miss H

## **My final decision**

My final decision is that I uphold this complaint against Clydesdale Bank Plc trading as Virgin Money on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 26 March 2026.

Paul Cooper  
**Ombudsman**