

The complaint

Mr M complains that Clydesdale Bank Plc (trading as Virgin Money) did not close his credit card account when requested.

What happened

Mr M says he told Virgin Money he was struggling with a gambling addiction and asked why it allowed gambling transactions on his credit card. He says that, when Virgin Money explained that it didn't recognise the transactions as gambling-related, he asked for his account to be closed. Mr M adds that, although he was told the account had been closed, Virgin Money did not prevent further gambling transactions and he lost additional money as a result.

Virgin Money says that Mr M was unhappy that a transaction had been flagged as gambling, and that he hadn't received contact following his request for a credit limit increase. It says that due to his dissatisfaction about the declined transaction, and the poor customer service, Mr M had requested the closure of his account. Virgin Money says it received the request on 2 July 2025, but that the account had a credit balance of 42p at the time and, whilst it was awaiting closure, Mr M continued to use his card. It adds that it needed the account balance to be zero, but that, when that happened, it was closed on 17 July 2025.

Virgin Money says it could not find evidence that Mr M had requested to increase his credit limit, and explained that the transaction had been blocked as it had been presented as a gambling transaction, even though Mr M said it was a gaming company. It apologised for the time Mr M spent chasing it up and offered him £75 for the poor service.

Our investigator did not recommend the complaint should be upheld. He was satisfied that Virgin Money did not close the account immediately due to the ongoing balance and did not find it had made a mistake. He also found the £75 compensation for the service issues to be fair and reasonable.

Mr M responded to say, in summary, that Virgin Money knew he had a gambling addiction and it could have blocked the card from usage ahead of its closure. He added that Virgin Money was incorrect to say it couldn't close his account on 2 July 2025 as it did not have a balance of 42p at the time.

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 have seen the email that Mr M sent to Virgin Money on 2 July 2025. In it, he requests that his account is closed because “*customer service is non existent*”:

- He was told he’d be contacted about his request to increase his credit limit within five days, but this didn’t happen;
- He’d had a transaction to a gaming company blocked, even though a transaction to the same company had gone through without issue the previous day;
 - His card was also blocked;
 - He’d received a voicemail requesting contact to an incorrect number;
- He was told on the phone that his account couldn’t be closed until he provided his bank details in order to refund him the 42p credit on his account;
 - When he requested a cheque he was transferred to a different department who started the security checks again.

Mr M further complained on 15 July 2025, that, despite being told his account would be closed on 4 July 2025, it remained open and he was able to make further transactions. He said he’d previously disclosed that he had a gambling addiction and, by keeping it open, Virgin Money had posed a significant risk to his financial and mental wellbeing.

Virgin Money blocked the account whilst it investigated the delay in closing it and explained that it was unable to close the account due to Mr M’s ongoing transactions. It confirmed that the account was finally closed on 17 July 2025 once the balance was cleared. Virgin Money also added that the terms of the account stipulate that the card should not be used for gambling transactions. It said that, whilst it had been made aware that Mr M had previously suffered with a gambling addiction, it had no record that he’d contacted its Specialist Support Team when its contact details had been offered at the time.

I have considered whether Virgin Money acted incorrectly when it blocked the initial transaction and I can see its system flagged it as a gambling transaction. The terms and conditions of Mr M’s account say:

“*You must not use your card or card details:*

- *for a gambling transaction...*”

By contrast, the transaction the previous day, to which Mr M referred in his email, was for a different company and was categorised as “*Digital Goods – AudioVisual*”. So I’m satisfied that Virgin Money did not make an error and was entitled to block the transaction when it did.

I acknowledge that Mr M requested the closure of his account on 2 July 2025, but he cites poor customer service as the reason at this point and, indeed, he maintains that the blocked transaction was for a gaming company and not gambling-related.

I’m satisfied that Mr M’s account was in credit by 42p on 2 July 2025, but it became £0 following a transaction of £200.02 and a payment of £199.60. On 4 July 2025, Virgin Money confirmed to Mr M that his account balance was now zero, and it would arrange for the account to be closed. However, I can see Mr M authorised further transactions between 5

July 2025 and 13 July 2025 – and set up a 12-month payment plan for some of those transactions.

Mr M again cleared his account balance on 14 July 2025 and then contacted Virgin Money the following day to escalate his complaint that the account hadn't been closed. It is at that point that Mr M explained that he had previously made Virgin Money aware of a gambling addiction and that is the reason he wanted the account closed. Virgin Money did then block the account ahead of its closure on 17 July 2025. As Virgin Money wasn't aware of Mr M's ongoing vulnerability at the time of his first closure request, I don't find it was unreasonable not to block the account initially.

I'm also satisfied that Virgin Money could not close Mr M's account until the balance had been cleared. The terms and conditions say:

"When the agreement ends..., all outstanding amounts...must be repaid.... We will only close your account once we receive this payment."

I acknowledge that Mr M says Virgin Money didn't contact him about the credit limit increase, but Virgin Money has accepted this even though it had no record of his request. It has paid him £75 for the inconvenience, and the issues with the call, and I'm satisfied that is fair and reasonable and in line with this service's usual awards in this area.

In summary, although I empathise with Mr M's ongoing addiction issues, I don't find Virgin Money did anything wrong by delaying the closure of his account. It couldn't close the account because Mr M continued using his card after requesting closure on 2 July 2025 and Virgin Money needed the balance to be zero before it could be closed. As Virgin Money had no reason to block the account until it was made aware of Mr M's gambling-related vulnerability on 15 July 2025, it follows that I also do not consider Virgin Money was responsible for the additional transactions made by Mr M after 2 July 2025.

My final decision

My decision is that I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 26 April 2026.

Amanda Williams
Ombudsman