

## **The complaint**

Mrs P's complaint is about her mortgage account with Clydesdale Bank Plc trading as Virgin Money, and referred to here as VM.

Mrs P is unhappy that VM has added interest to her mortgage arrears without providing a breakdown of the how it has calculated the amount it is claiming she owes. Mrs P wants to know how her overpayments have been applied to the account. Mrs P is also unhappy about the information VM has reported to credit reference agencies (CRAs).

To settle the complaint, Mrs P wants VM either to provide a breakdown of its calculations, along with confirmation that this is in line with the mortgage account terms and conditions, or else cancel the debt and provide a sworn affidavit that VM will not add it back onto the mortgage account.

## **What happened**

Mrs P previously brought a complaint to our service about her mortgage account, including the interest calculation on the arrears. That complaint was considered by our service on 18 June 2024. This decision therefore covers matters that have arisen since that date.

The basic background to this complaint is well known to both parties so I won't repeat the details here. Our decisions are published, and it's important that I don't include any information that might result in Mrs P being identified.

Instead I'll focus on my decision and the reasons for it. No discourtesy or lack of care is intended by that. It's simply a reflection of the informal service we provide, and if I don't mention something, it won't be because I've ignored it. It'll be because I didn't think it was material to the outcome of the complaint. This approach is consistent with what our enabling legislation requires of me.

It allows me to focus on the issues on which I consider a fair outcome will turn, and not be side-tracked by matters which, although presented as material, are, in my opinion peripheral or, in some instances, have little or no impact on the broader outcome.

An Investigator looked at the issues Mrs P was complaining about. He was satisfied that interest on arrears was being charged in line with the mortgage account terms and conditions. He was also satisfied that the information reported to CRAs by VM reflected the account conduct over a number of years. The Investigator noted Mrs P had made overpayments, but was satisfied these weren't sufficient to clear the arrears. Given this, the Investigator didn't think the complaint should be upheld.

Mrs P asked for an Ombudsman to review the Investigator's findings. She said that the Investigator had ignored the core component of her complaint, which was the way interest was calculated. Mrs P also wanted proof that all her overpayments were paid towards the arrears and not just interest on the arrears.

## **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 will begin by explaining that the Financial Ombudsman Service is independent of both consumers and the businesses they are complaining about. This means that we don't act for consumers, nor do we take instructions either from consumers or businesses, or allow either party to direct the course of our investigations; were we to do so, it would compromise our independence and impartiality. It's up to us to determine what evidence is relevant and the enquiries we need to make in order to investigate a complaint. So although I've noted the questions which Mrs P would like answered, it's not part of my role to put those questions to VM or act as a representative for either of the parties in this complaint. It's also not part of my role to audit Mrs P's mortgage account, or carry out my own interest calculations.

I'm only looking at events arising after the previous complaint, so from 18 June 2024 onwards. It's not appropriate for us to reconsider a complaint we've previously looked at, particularly where a consumer is raising the same issues we previously considered. Our rules provide for us to decline to reconsider a complaint we've previously looked at in these circumstances.

As the Investigators have already explained, both on the previous complaint and on this one, VM is entitled to charge interest on mortgage arrears. The mortgage conditions provide for this. The crux of Mrs P's complaint, however, is that, where she has made overpayments, Mrs P says that VM hasn't been able to show how these have been applied, that is, towards reducing the capital balance on the mortgage, reducing the arrears or towards paying off interest accruing on the arrears.

I've looked at statements where overpayments have been made, and these show that overpayments have been applied towards reducing the arrears, referred to on the statements as a "payment shortfall", which is the terminology used by the regulator. The mortgage statements are in the format prescribed by the Financial Conduct Authority, and I'm not persuaded that they are misleading or unclear in showing how much has been paid and how this has affected the account balance. I appreciate Mrs P would like VM to provide her with statements in a different format to satisfy her queries about interest, but VM isn't under any obligation to do this. The statements VM has sent Mrs P are sufficient, in my opinion.

I've also looked at the information recorded with the CRAs. VM is required to provide CRAs with information about the conduct of the account, and it's up to the CRAs how this is recorded. The evidence provided doesn't suggest VM has provided inaccurate data to the CRAs; the account has been in arrears for many years, and the last payment made was in May 2025, almost a year ago. I can't see that VM's reporting of the conduct of the account has been incorrect. If Mrs P disputes how the CRAs are recording her data, that's something she'll need to take up with those agencies.

Overall, whilst I acknowledge Mrs P's strength of feeling about what she perceives to be mismanagement of her mortgage account by VM, the evidence doesn't persuade me that this is, in fact, the case. I'm therefore unable to find in Mrs P's favour.

VM is now considering taking legal action against Mrs P due to the arrears on the account. Given no payments have been made for almost a year, I'm not persuaded this course of action is unreasonable.

Lenders will sometimes agree to put recovery action on hold whilst we look at a complaint, but they don't have to and we can't force them to. If the Financial Ombudsman Service had that power it would undermine our impartiality between the parties to a complaint. It would also create the potential risk of consumers using our service to bring complaints with the intention of obstructing businesses that were trying to take legitimate action through the courts to recover money owed to them.

I am explaining this because I would not want Mrs P to be under any misunderstanding that the Financial Ombudsman Service would be able to order VM to put any legal action on hold, should she bring another complaint to our service about her mortgage account. Given that legal action is a possibility, it might help Mrs P to take some advice. There are a number of agencies offering free advice, such as Citizens Advice, StepChange or Shelter. We can provide contact details for those agencies, should Mrs P request this. Alternatively, Mrs P might want to speak to an independent financial adviser, and she can find one convenient to her at <https://fca.org.uk>.

### **My final decision**

My final decision is that I don't uphold this complaint.

This final decision concludes the Financial Ombudsman Service's review of this complaint. This means that we are unable to consider the complaint any further, nor enter into any discussion about it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 19 May 2026.

Jan O'Leary  
**Ombudsman**