

## **complaint**

Mr S complains about how Virgin Money plc has managed his credit card account.

## **background**

Mr S told us that he previously had an airline branded credit card, managed by a different bank. That bank stopped offering the airline branded card, and he opened a similar card with Virgin instead. But Mr S told us that he was very unhappy with it.

Mr S told us that when he opened the Virgin card account, although he was unaware of this, the direct debit was set to take only the minimum payment each month, instead of the full amount. Mr S said that he only realised that when Virgin told him he had reached his credit limit. Mr S said that he didn't usually look at his statements each month, but had previously cleared the account in full every month, when it was operated by a different bank.

Mr S also said that he'd noticed he was being charged non-sterling transaction fees for using the card abroad. He said that because of this, he decided to purchase some foreign currency instead. But he said that because of this, he was charged a cash advance fee, and Virgin at first told him that was because he'd been using an online gambling site. Mr S said that it was entirely wrong for Virgin to charge a fee like this for a transaction with an authorised currency company, and to treat such transactions in the same way as gambling, and that should be stopped at once.

Mr S said that these additional charges for cash transactions were not openly stated, but were hidden in the small print. He said that this should be clear in advance, so that cardholders knew what they would be charged for.

Virgin wrote to Mr S about his complaint. It told Mr S that when he applied online for this account, there wasn't an option for him to set up a monthly direct debit which would clear the full balance. The website pages told him that a direct debit would be set up for the minimum amount, and he'd have to make changes to that online, or by contacting Virgin, once the account was opened. Virgin said that Mr S hadn't done either of those things.

Virgin also said that it had been sending Mr S monthly statements, which made clear how much it would take on each direct debit payment. So it didn't think it had made a mistake. But it had still refunded all of the interest which had been applied to his account.

Virgin also said that it had charged Mr S £87.67 in total as a cash advance fee. It applied that fee to cash advances, but also to purchases of foreign currency. Virgin said that this was covered in the credit agreement, and it said that it wouldn't pay this money back to Mr S. It did say that it had delayed in recording and responding to Mr S's complaint about this, so it had credited his account with £25 to say sorry for that.

Our adjudicator didn't uphold this complaint. She said that Mr S's online application told him that his direct debit was set up for the minimum amount, and so did the statements that Virgin was sending him. She didn't think that Virgin was responsible for the confusion around the amount his direct debit was set for.

Our adjudicator also said that Virgin had followed the terms and conditions of its card by charging Mr S for foreign currency purchases. She said that although Virgin might've given Mr S some wrong information about this initially, that didn't mean the charges were wrong.

Our adjudicator said that she thought Virgin had responded fairly to Mr S's complaint, so she wouldn't be asking it to do any more.

Mr S didn't agree with that. He sent us a large number of emails that he'd received from Virgin about this card, and a copy of the online application. He set out for us how he got this card, and the preceding one. He explained how he normally uses the card, and why its benefits were attractive to him. But he repeated that he had no idea that the direct debit he'd set up wasn't clearing the full amount. And that he only found out about charges for overseas use, and for cash advances, when he finally opened his statements because he'd gone over his limit and the card had been stopped. Mr S didn't think that these charges were sufficiently clear.

Mr S wanted his complaint to be reconsidered, so it was passed to me for a final decision.

### **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I've reached the same overall conclusion on this complaint as our adjudicator, and for broadly the same reasons.

I know that Mr S previously had a card which carried the same airline brand, which was operated by a different bank. It may assist if I set out at the start that Mr S's new card, with Virgin, isn't the same agreement. He's entered into a new, and entirely separate, contract with Virgin for this card. So some things about how this card works may well be different to the old one.

Mr S has said that he was told nothing would change. I've read the information he sent us about the new card carefully, and I haven't been able to see any evidence that this statement was made. And I think that Mr S probably did know from the outset that some things about this card were going to be a bit different. He told us that he saw once he'd applied that his new credit limit was lower.

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Mr S has sent us an application form, which contains a link to the summary box that sets out details of rates and fees on the card. Mr S said that this information was hidden, because he had to click through to see it. But Mr S's statements also say that Mr S will pay a 5% transaction fee for cash advances. They tell Mr S where he can find further information on that. And the statements also set out the charges that may be applied for using his card overseas.

Virgin has also sent our service a copy of information on the credit agreement Mr S entered into with Virgin. That sets out its fees and charges, and makes clear that both online gambling transactions and the purchase of foreign currency will be treated as cash advances, and will incur a charge. That's not an uncommon approach for credit card companies to take.

I know that Mr S says that when he's buying foreign currency, he thinks that's just an ordinary purchase of goods, the goods in this case being bank notes. But I don't think it's unreasonable to treat the purchase of foreign currency (a purchase which does result in Mr S receiving cash) as a cash advance. I don't think that these charges are unfair. And I don't think that Virgin had failed to make this information available to Mr S.

I know Mr S expected this card to be the same as the last one carrying the same brand, and it isn't. He says it just isn't as good. I understand why he thinks that, it doesn't seem as if this card suits Mr S as well as the one it replaced. But it is a different contract. I can't require Virgin to provide the same service as Mr S was receiving previously from a different bank, or to replicate those terms and conditions.

I'm sorry to have to tell Mr S that I don't think his complaint should be upheld.

**my final decision**

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 10 July 2019.

Esther Absalom-Gough  
**ombudsman**