

complaint

Mr F complains about Virgin Money plc (“Virgin”) regarding a repayment plan agreed after he lost his job. He wants the business to remove all references to arrears from his credit file, to reopen the account and to reinstate his repayment plan at a lower amount.

background

Mr F applied for a Virgin credit card in early 2017. His application was successful and his account was opened in March 2017.

Mr F completed a balance transfer onto the card for £5500, taking the account near to its limit.

Mr F made regular repayments to the card through 2017. Mr F then lost his job and began to experience financial difficulties.

He missed his minimum payments and fell into arrears.

In March 2018, Mr F spoke with an agent at the business and explained that he had lost his job. He acknowledged that he had missed repayments and agreed that he would pay £100 towards his account at the end of March 2018, against the minimum payment of approximately £140.

The business wrote to him confirming that agreement.

Mr F made the March payment as planned. Soon afterwards he received a letter saying that his arrears had increased since he had not made the minimum repayment.

Mr F then made varying payments, below the minimum required each month.

The business wrote to Mr F setting out his arrears and indicating that if he was experiencing financial hardship he would need to complete an income and expenditure assessment.

Mr F complained to Virgin in April 2018. He said that he had understood that he had agreed to a repayment plan at £100 per month going forward and so was surprised to receive letters saying that he had underpaid.

Virgin sent him its final response letter in April, rejecting his complaint and setting out that the agreement reached in March had only related to the March payment.

Mr F was not happy with this and contacted us.

One of our adjudicators has looked into Mr F’s complaint and has set out his view to the parties. That was that the business had not done anything significantly wrong and he did not ask the business to do anything more. The adjudicator noted that even if Mr F had agreed to a repayment plan at £100 per month he had not made those repayments after March.

Mr F was not happy with this view and asked that an ombudsman consider his complaint.

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 have, in particular, listened to the call recording of Mr F's call to the business in early March.

In that call, Mr F explained that he had lost his job and was experiencing difficulties. He said that he did not want to enter into a plan that he had previously been advised about due to the potential impact on his credit file.

He told the advisor that he would be able to pay £100 at the end of March towards his card balance, as he would receive his last pay, and thereafter he would see what he could do towards making repayments. The advisor informed Mr F that his minimum payment was £140 and that arrears accruing would be reported onto his credit file.

Mr F was confident during the call that he would be able to make additional payments soon and the advisor recommended that Mr F make additional payments if he was able to do so.

It was clear during that call that the agreement was for the month of March only and that arrears would continue to accrue while Mr F was not making his minimum repayments. Mr F appeared to understand this throughout the call.

I therefore agree with the adjudicator's view that there is no evidence that the business has broken any agreement, and the business has not acted inappropriately in pursuing repayment after March.

I see that the business sent regular letters to Mr F, aside from when he requested a 'breathing space' period and that these were clear about the outstanding debt and minimum repayments due.

I therefore do not consider that there is evidence of the business acting inappropriately and I do not ask the business to do anything further.

my final decision

For the reasons set out above I do not uphold Mr F's complaint and do not ask the business to do anything further. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 2 December 2018.

Laura Garvin-Smith
ombudsman