

complaint

Mr M complains that Virgin Money plc didn't do enough to help him when he told the bank he was having difficulty with his money because of his gambling addiction. He wanted Virgin to reduce the limit on his credit card. And Mr M was upset that Virgin allowed other gambling transactions to go through after he'd been in touch with the bank about his problems.

background

Mr M has been very open about his gambling addiction and the problems he's had to deal with as a result. So I don't need to go into any great detail about those. The main focus of the complaint is what Virgin did (or as Mr M sees it didn't do) after he contacted the bank.

Mr M rang Virgin in June 2015 to explain the problems his gambling addition was causing. He knew he was going to struggle to pay his credit card bill. Mr M said he wouldn't be able to make the minimum monthly payment required in future. So he asked what ways Virgin might be able to help him. Mr M was also keen to reduce the limit on his credit card account as a way of helping him control the impact of his addiction.

Virgin explained various options to Mr M. But these focussed on the financial hardship he was suffering (or would suffer) – rather than reducing the credit limit on the account. There was quite a lengthy discussion about Mr M's income and expenditure and how much he could afford each month. The call lasted for the best part of an hour in total.

It seems there was broad agreement on how much Mr M could afford to pay each month. But he was concerned the payment arrangement would be recorded on – and how it would affect – his credit file. Maintaining a good credit rating was very important to Mr B because of his employment. So he said he'd think about what to do and then contact Virgin again.

Mr M didn't do this. But he carried on using his credit card for gambling transactions. Mr M was upset that Virgin allowed these to go through – given the conversation he'd had with the bank. So he contacted us in mid-2016.

One of our adjudicators looked into things for Mr M. But she didn't think Virgin had done anything wrong. She listened to the call from June 2015. And she was satisfied that it was left that Mr M would think about what he wanted to do and contact Virgin again. So she didn't think the bank had done anything wrong by allowing more spending on the account. But she noted Virgin had now placed a block on Mr M's credit card so he couldn't use any more.

Mr M didn't agree with the adjudicator's view. So his complaint's been passed to an ombudsman to review. Mr M says that had Virgin blocked his card after the call in 2015 he'd have been able to clear the debt.

Mr M also thought the bank shouldn't have let him have the credit card account in the first place. In summary, he thinks Virgin's acted very badly throughout and failed to recognise – and help with – his vulnerability.

The adjudicator explained to Mr M that any suggestion that Virgin had acted irresponsibly in its lending would have to be considered separately – as the bank hadn't been given the opportunity to respond to that issue. So the focus here would (continue to) be on what Virgin did when Mr M contacted it.

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 can see Mr M feels very strongly about what's happened here. That's clear from what he's said to us – and to Virgin. And that's not surprising. Mr M's been very open about his gambling addiction. I recognise that can't have been easy for him. The impact of that underlying problem has been huge on Mr M. So he's bound to be concerned about things.

But I'm afraid I have to tell Mr M that I agree with the adjudicator here. I don't think Virgin did anything wrong in not reducing his credit limit or allowing further transactions to debit his account after he contacted the bank in June 2015. Indeed there's not much I can usefully add to what the adjudicator's already told Mr M. I think she's set out the position clearly.

I've also listened to that call. And it is clear that – at the end – Mr M doesn't want to agree any specific payment arrangement. He says he'll contact the bank again. Given the circumstances Mr M's been very open about it's not surprising he didn't contact Virgin again. But it wouldn't be fair to criticise the bank as a result of his failure to do so.

And it's worth noting any reduction in the credit limit on Mr M's account would only have been possible with some form of agreement for paying off the (then) over-limit balance. And Mr M was clear about his concerns in agreeing to any such arrangement in order to meet his contractual obligations under the account. So I think it's quite likely Mr M would have ended up with broadly the same problem regardless of whether Virgin had agreed to reduce his credit limit in June 2015.

None of the above is to suggest I don't sympathise with the position Mr M has found himself in – far from it. It's clearly been a very difficult time for Mr M. But I'm satisfied Virgin responded positively and sympathetically to the problems he outlined in that call. That's as I'd expect it to do. And I'm sure it'll continue to do so in helping Mr M in the future.

Given how strongly Mr M feels about what's happened he may want to take the matter further through other routes. But my decision brings to an end what we – in trying to resolve his dispute with Virgin informally – can do for Mr M. I know he'll be disappointed with this. I very much hope he's able to (continue to) address the problems he's had.

my final decision

For the reasons I've given, my final decision is that Virgin Money plc doesn't have to take any action to address the concerns Mr M's raised about it not reducing his credit limit or processing further gambling transactions on his credit card account.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 17 February 2017.

Andrew Davies
ombudsman