

## **The complaint**

Mr N complains that Clydesdale Bank Plc trading as Virgin Money (Virgin) did not provide details of how and when he should pay the fee for a product transfer, which has cost him financially as the new mortgage did not go ahead and his existing mortgage went on to Virgin's standard variable rate (SVR).

## **What happened**

Mr N applied for a mortgage product switch with Virgin on 3 April 2023 and the product he applied for had a fee. He says that he received all the documents to complete the agreement, which told him to do nothing if he wished to proceed. The fee was not requested at the time and there were no details of how or when the fee should be paid.

Mr N says that he was later moved to Virgin's SVR which was significantly more expensive. He contacted Virgin to ask why and was told that the new agreement was not progressed because he hadn't paid the product fee. Mr N says Virgin told him it had sent him an email requesting the fee but he didn't receive this. Mr N says that Virgin told him that he could pay the fee now but that the current interest rate would be applied, and not the 4.98% fixed he had previously agreed to. As a result, he is now paying £2,179.05 a month instead of the £1,142.10 he agreed to and this is rising each month in line with the Bank of England base rate increases.

Mr N would like the mortgage he agreed to and for Virgin to refund the additional money he has paid as a result of being moved onto the SVR.

Virgin says that the new fixed rate could not be applied until the product fee had been paid and this cannot be backdated. It says that the mortgage illustration set out that the fee was payable when Mr N applied for the mortgage and that it hadn't been added to the loan. A chaser email was sent to the email address that it had on file for Mr N on 22 May 2023 and, although he says he didn't receive this, the information had already been provided and this was merely a reminder as the product switch hadn't completed. Virgin therefore didn't uphold the complaint as it said there had been no bank error.

Our investigator looked into the case and was satisfied that Virgin had acted fairly and reasonably in this case. Although the investigator said that she appreciated the cover letter stated that Mr N didn't need to do anything if he was happy to proceed with the offer, he was required to read all of the documentation and was aware that a fee was payable on application. The documentation stated that the fee was payable on application and she therefore found that Virgin had made this clear to Mr N. Virgin also emailed Mr N to remind him about the fee in May 2022; it was unclear why Mr N had not received this as it was correctly addressed.

Mr N disagrees with this so the case has come to me to make a decision. He says that the conflicting information in the application, the acceptance of email despatch as evidence of receipt and other details are contrary to the requirements for lenders and that relevant legislation has not been applied.

## **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.

Having looked at the evidence I agree with the investigator's view for broadly the same reasons and I've explained my reasons further below.

I've given careful consideration to all of the submissions made, but I won't address each and every point that has been raised. I'll focus on the matters that I consider most relevant to how I've reached a fair outcome in keeping with the informal nature of our service.

Mr N applied for the product transfer online so he didn't receive any advice from Virgin regarding the application. Whilst Virgin was responsible for providing him with clear, fair and not misleading information, it was Mr N's responsibility to ensure that he read and understood the terms of the product he was applying for.

I have looked at the letter Mr N was sent on 3 April 2023 which enclosed the mortgage offer, mortgage illustration, terms and conditions and tariff of charges. The letter set out that the offer was made on the terms set out in the documentation and that Mr N should read the letter and the documentation carefully. Under the "Mortgage Summary" section of the letter, it set out some of the details and then stated "*This is just a summary and you should read your illustration for the full details of your mortgage. Your illustration included information in relation to your payments*". Following this, in the section titled "*Completion Of Your Mortgage*", it set out different ways for Mr N to complete the mortgage, depending on his circumstances. One of the options set out was "*If you are happy to go ahead, and don't mind waiting until the end of your reflection period, you don't need to do anything. At the end of your reflection period we will progress your mortgage*".

I have also looked at the mortgage illustration. In the section titled "*Interest rate and other costs*", it sets out that there is a product fee of £499 and that this is payable "*when you apply for the mortgage*" and that this had not been added to the loan.

Whilst I accept that the letter informed Mr N that he didn't need to do anything if he wanted the product transfer to take effect at the end of the reflection period, it also informed him prior to this that the offer was made subject to the terms set out and that he should read the documentation carefully. The mortgage illustration makes it clear that a fee of £499 was payable when applying for the mortgage. Therefore, I am satisfied that Virgin made Mr N aware that this needed to be paid in order for the mortgage to go ahead.

I have also seen a copy of an email sent on 22 May 2023 to the email address Mr N included on his online application. This stated "*We have unfortunately not yet received the payment in regards to our previous email copied in the email trail below. You can call our Mortgage Services Helpdesk on 08001214203 to make the payment*". Virgin has said that a screenshot of the email trail referred to in this email is no longer available.

It is unfortunate that the earlier email is unavailable, however I can see that Virgin tried to contact Mr N in relation to the outstanding payment of the fee. I understand that Mr N says that he did not receive the email but I am satisfied that it was sent to the email address he specified in his application. Therefore, I can't say that Virgin has acted unreasonably in this respect. In any event, I am satisfied that Virgin made Mr N aware that the fee was payable in the earlier documentation. If Mr N hadn't received the email and was unsure of how the fee should be paid, it was open to him to contact Virgin to ask for this information.

I know my decision will come as a disappointment to Mr N, but I can't say that Virgin has acted unreasonably or unfairly in the circumstances of this case and I don't uphold this complaint.

### **My final decision**

For the reasons I've explained above, I don't uphold this complaint and don't require Clydesdale Bank Plc trading as Virgin Money to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 12 April 2024.

Rachel Ellis  
**Ombudsman**