

The complaint

Mrs M is complaining about Clydesdale Bank Plc trading as Virgin Money because it declined multiple transactions on her credit card account. As a result, she and her husband used their debit cards to complete purchases and missed out on reward points on the card. Mrs M has also complained about the length of time it took to get through to someone at Virgin Money by telephone to resolve the situation.

What happened

Mrs M opened a credit card account with Virgin Money in September 2023. She says she planned to use the card extensively to gain reward points that could later be exchanged for flights.

Shortly afterwards, Mrs M and her husband went shopping but couldn't use the card to pay for their goods as it was declined. Instead, they used debit cards to complete the purchases. Over lunch, Mrs M says she telephoned Virgin Money to unblock the card and they were able to pay for their lunch. They continued shopping in the afternoon but discovered at the checkout that the card had been blocked again. As before, they used debit cards to complete their purchases instead.

Virgin Money said it had blocked the card for legitimate security reasons and hadn't done anything wrong. But it did apologise for the lengthy waiting times when Mrs M called and credited £30 to her account for the distress and inconvenience this caused.

Our investigator didn't conclude the complaint should be upheld. He was satisfied Virgin Money was entitled to block transactions that raised security concerns and pointed to the fact the card was new and the nature of the transactions being attempted in concluding Virgin Money hadn't done anything wrong. In respect of the service provided when Mrs M called Virgin Money, he felt its offer of £30 compensation was fair.

Mrs M didn't accept the investigator's assessment. She says it was unnecessary for Virgin Money to block the card, particularly in the afternoon when it had already been established she was at the shopping centre she'd called from at lunchtime. She feels Virgin Money should have contacted her immediately a transaction was declined – either by phone or text – so the matter could have been resolved without her being forced to use debit cards and having to call later on.

The complaint has now been referred to me for review.

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 done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. In considering this complaint I've had

regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

The account terms and conditions are clear that Virgin Money is entitled to decline transactions and/or block the card for security reasons where it identifies potentially suspicious activity. In this case, the card was new and Mrs M was trying to spend significant amounts on high-end goods. I appreciate what happened must have been frustrating, and probably embarrassing, but, in the circumstances, I don't think Virgin Money acted unreasonably by not accepting the transactions without further checks.

I appreciate Mrs M feels Virgin Money should have been more pro-active so the matter could be resolved promptly, but it was under no obligation to text or call her straight away. It's unfortunate that it took some time for her to get through on the telephone but I'm satisfied there was a reasonable means by which she could speak to the Virgin Money to re-activate the card.

I note Mrs M says she and her husband were '*forced*' to use their debit cards, but I don't think that's quite right. If the whole purpose of the shopping trip was to accumulate reward points, they did have the option to return good to the stores and go back once Mrs M had been able to speak to Virgin Money. I appreciate that's not an ideal solution and would have been somewhat embarrassing, but I don't think it would be reasonable to hold Virgin Money entirely responsible for the fact the purchases were completed by another means even if I were to agree it had been unreasonable in declining the transactions.

This notwithstanding, I can see that lengthy delays in contacting Virgin Money would have caused additional distress and inconvenience for Mrs M. The amount to award for distress and inconvenience can be difficult to assess as the same circumstances can impact different people in different ways. But in the circumstances of this case, I'm satisfied the £30 already paid by Virgin Money is fair and reasonable.

It's for these reasons that I'm not upholding Mrs M's complaint and I believe Virgin Money has already taken adequate steps to put things right. I realise this outcome will be disappointing for Mrs M but I'm satisfied it's fair and reasonable in the circumstances.

My final decision

For the reasons I've explained, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 11 April 2024.

James Biles
Ombudsman