

## The complaint

Mrs B complains that Clydesdale Bank Plc, trading as Virgin Money (who I'll call Virgin) failed to notify her that she had reached the spending threshold that entitled her to claim a Flying Club reward voucher.

Mrs B has been represented by her husband but for ease, and because Mrs B is the account holder, I will refer to her in this decision.

## What happened

I issued my provisional decision on this complaint earlier this year. An extract from that provisional decision is set out below.

*I don't currently think that Virgin have applied points correctly for the year ending 5 October 2021, but I do think their calculation is correct for the following year. I'm expecting to tell Virgin to ensure that a reward voucher is issued to Mrs B for the year 2020 to 2021. I'll explain why.*

*Where the information I've got is incomplete, unclear, or contradictory, as some of it is here I have to base my decision on the balance of probabilities.*

*I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.*

*The reward scheme isn't a regulated activity in itself, but it is an ancillary activity that supports the regulated activity as set out in the Financial Conduct Authority Handbook rules (DISP 2.3) and I'm satisfied this Service, therefore, has jurisdiction to consider Mrs B's complaint.*

*The Virgin Atlantic Reward+ Credit Card Flying Club Terms explain that if a consumer spends £10,000 in a year they will earn a reward and that the year resets on the anniversary of when the card was opened. Here that anniversary is 5 October.*

The terms also say that:

*"The reward will automatically be added to your Flying Club account within 30 days of earning it. It'll be ready to spend straightaway."*

*Virgin and Mrs B have provided information that shows vouchers can be issued mid-term after the spending threshold is reached.*

## ***Was the spending threshold reached in the year 6 October 2020 to 5 October 2021?***

*I've considered Mrs B's calculations and those completed by Virgin for this period. Both parties agree that spend up to and including the statement received on 5 September 2021*

was £11,464.89, and that there was a non-qualifying money transfer of £1,108.52 that needed to be deducted from that spend. So, by 5 September 2021 Mrs B had spent £10,356.37 and she says at that point she qualified for a reward voucher.

Virgin don't agree as they note Mrs B subsequently incurred a negative expenditure on 21 September 2021 of £390.43 that took her overall, annual spend below the £10,000 threshold.

The terms say that the reward will automatically be added to the Flying Club account within 30 days of earning it. I think the point at which the £10,000 threshold was passed was on 5 September 2021 before the negative expenditure was incurred and, in those circumstances, I think a reward should have been applied to the Flying Club account.

I can't see anything in the terms and conditions Virgin have supplied that would suggest that shouldn't be the case. It doesn't appear to be the case that the whole years expenditure needs to be taken into account before a reward can be applied.

#### **Was the spending threshold reached in the year 6 October 2021 to 5 October 2022?**

Mrs B's spend in this period was £9,753.01. She suggests B were wrong to deduct £694.94 in October 2021 from her spending total, but I don't think they were. The relevant statement shows that transaction took place on 11 October 2021 and to my mind could, therefore, only be fairly accrued during the year 6 October 2021 to 5 October 2022. I don't, therefore, think Virgin were wrong not to issue a reward voucher for that year.

#### **My provisional decision**

For the reasons I've given above I am expecting to uphold this complaint and to tell Clydesdale Bank Plc to add the reward, for exceeding the spend limit in the year 2020 to 2021, to Mrs B's Flying Club account.

#### **Further comments and/or information**

Virgin didn't provide any further information, but Mrs B did. She explained that the refund I had identified in October 2021 was actually incurred in September 2021 and:

*"The refund ... was appropriate to the card year 06 October 2020 to 05 October 2021 not 06 October 2021 to 05 October 2022 ... If the refund was dealt with correctly the spend for card year 06 Oct 2021 to 05 October 2022 would have been £10,377.95 and this would have qualified for a voucher."*

#### **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.

If Mrs B is right about that it would mean that a voucher should have been issued for the year ending 5 October 2022. But the refund would need to be deducted from the previous year and that would bring the previous year spend below £10,000 and a reward wouldn't be merited for that year.

And, even if I'm wrong about that, I think the most appropriate date for the refund to be considered was the date it was debited from Mrs B's account. That was after the 6 October 2021 and I, therefore, think it was correctly considered within the 2021/22 entitlement period.

### **Putting things right**

I've not, therefore, been provided with information that would lead me to change my provisional decision. That now becomes my final decision on this complaint.

### **My final decision**

For the reasons I've given above I uphold this complaint and tell Clydesdale Bank Plc to add the reward, for exceeding the spend limit in the year 2020 to 2021, to Mrs B's Flying Club account.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 18 March 2024.

Phillip McMahon  
**Ombudsman**