

## The complaint

Mr H is complaining about Clydesdale Bank Plc trading as Virgin Money because he says it defaulted his account unfairly. He thinks the default should be removed from his account.

## What happened

Mr H had a credit card account with Virgin Money that was opened in July 2022. His last purchase on the account was July 2023. In the same month, the required monthly payment wasn't made. While there was no further spending on the card, no payments were made towards the outstanding balance until Virgin Money terminated the account and registered a default with the credit reference agencies (CRAs) in February 2024.

Mr H paid the outstanding account balance in full shortly after the default was registered but Virgin Money has declined to amend his credit file to remove the default.

Our investigator didn't recommend the complaint be upheld. He felt Virgin Money was entitled to register a default when no payments were received over this period of time.

Mr H didn't accept the investigator's assessment. He maintains that he wanted to make payment but didn't have the information he needed, despite attempts by email to obtain this. He says he worked abroad and preferred to communicate in this way. Once he did have the relevant details, he pointed out that he paid the balance in full.

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. 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.

It was ultimately Mr H's responsibility to ensure payments on the account were made on time. And when payments weren't made, Virgin Money would have been expected to report this to the CRAs and to ultimately register a default and terminate the account after no payments were made for a protracted period.

Virgin Money has provided us with copies of at least 20 letters and statements it says were sent to Mr H's home between July 2023 and February 2024, all of which are clear that payments weren't being made. These are all addressed to the same address he gave us when making this complaint. I note Mr H says there were some issues with his postcode that meant some of the correspondence may not have been received, but we know some were as he told our investigator that he doesn't *"recall getting any letters that I didn't respond to"*

*via email*" He also referred to receiving post in email correspondence with the business, for example on 11 February 2024 he referred to having *"just received a fairly strongly automated letter"*.

It's also clear from his email correspondence with Virgin Money that Mr H knew payments weren't being made and his account was in arrears.

Mr H says he didn't make payment because he didn't have the information he needed, including the account number and outstanding balance. This was all included in the correspondence Virgin Money appears to have been sending, but Mr H says this was either not received or he was unable to access it because he was working abroad. He also says he wasn't clear the account number quoted was the same as the card number needed to make a payment via his bank.

If Mr H felt he needed further information, an obvious way to obtain this would have been to call Virgin Money by phone. I appreciate this was more difficult for him because he was working abroad, but I don't think it was impossible. He told our investigator that he spent two to three days at home each month. Also, in an email dated 30 October 2023, he told Virgin Money he wouldn't be in a position to call *"before December holidays (not going to stay awake into the early hours and disturb fellow patrons!)"*.

So it seems there was the option to call, albeit at inconvenient times, or later on in December.

There were other ways Mr H could have paid as well if he didn't want to use the phone, including bank transfer or via the Virgin Money app, which I understand would have provided access to his account details and allowed him to make payment. Mr H told our investigator he'd downloaded the app previously, before removing it again, so he should have at least been aware it was a tool he could use.

This notwithstanding, I can see Mr H did make contact with Virgin Money about this issue. He sent an email on 4 August 2023 asking for details of how much was owed and his card number. Unfortunately this went to a no-reply service and he doesn't seem to have followed up his enquiry when no response was received.

On 30 October 2023, Mr H emailed Virgin Money's complaints department and was told he could call to make payment. He then asked for email contact but again didn't follow up this up when no reply was received. Mr H's next contact with Virgin Money was when he made his complaint on 7 December 2023 and was told the information he needed to make payments was included on his statements. Again, he doesn't appear to have followed this up at the time and he next contacted Virgin Money in February 2024 after receiving correspondence confirming the account was being defaulted.

Putting everything together, I do think Virgin Money could have handled Mr H's enquiries better. But I don't think this prevented him making payments to his account. The information needed was included in the various correspondence sent to his home, at least some of which we know he received. Mr H could also have accessed this information and/or made payments in other ways, including through the app if he didn't have the letters and statements to hand. Or alternatively, and while I realise this might have been inconvenient, he could have made payment by telephone.

As I said at the outset, it was ultimately Mr H's responsibility to ensure he kept up with payments due on the account. If he felt he didn't have the information he needed, there were ways he could have accessed this even if he didn't feel he was getting the response he

wanted from his emails, and I think Virgin Money was entitled to register a default after no payments had been made for such a protracted period of time.

It's for these reasons that I'm not upholding Mr H's complaint. I realise this outcome will be disappointing for him, 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 Mr H to accept or reject my decision before 10 September 2024.

James Biles  
**Ombudsman**