

## The complaint

Mr N's complaint is about two buy-to-let (BTL) mortgages. Mr N is unhappy that, after Clydesdale Bank Plc wasn't able to offer him new mortgages when his existing mortgages reached the end of their terms, a broker was able to source new mortgages for him, through Clydesdale's Virgin Money brand.

Mr N didn't accept the explanation that Virgin Money is a separate trading entity from Clydesdale, as he believes they are the same business. Mr N says that, because of the delay in putting his new mortgages in place, he was charged interest at the reversionary rate, rather than a fixed rate he could have secured himself with Clydesdale at a much earlier date. Mr N believes he has been financially disadvantaged and would like to be compensated for his losses.

## What happened

An Investigator looked at Mr N's complaint but didn't think it should be upheld. This was because Clydesdale had provided evidence to satisfy him that Mr N's previous mortgages were with Clydesdale Bank Plc, but his new mortgages were with Clydesdale trading as Virgin Money. The Investigator explained that Clydesdale and Virgin Money are two completely separate trading entities, with separate mortgage books and underwriting criteria, separate websites and separate accounting systems to administer mortgage accounts.

Given this, the Investigator was satisfied that Clydesdale had done nothing wrong. Mr N hadn't been eligible for new mortgages with Clydesdale, because he didn't meet the bank's lending criteria. However, he had met Virgin Money's lending criteria, which is why his broker was able to source new mortgages for him with that lender.

Mr N disagreed with the Investigator's findings and asked for an Ombudsman to review the complaint. Mr N said that the Investigator's conclusions were factually incorrect, because Clydesdale and Virgin Money are the same legal entity with the same Companies House number. Therefore, Mr N says, Clydesdale was used for both loans. Mr N said that the Investigator was "*desperate to protect the lenders*" and that the argument that Clydesdale and Virgin Money are two separate businesses will not be upheld in a court.

## 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 conclusion as the Investigator, for broadly the same reasons.

Clydesdale Bank Plc was the group or parent company, as registered at Companies House and with the Financial Conduct Authority. Virgin Money and, for that matter, Clydesdale Bank were trading names of Clydesdale Bank Plc at the time. I note that Virgin Money was sold to another business on 1 October 2024.

As discrete trading names Clydesdale Bank and Virgin Money are different providers, albeit at the time of the events complained of they were both operating under the one banking licence of Clydesdale Bank Plc. However, each lender operated on separate platforms, with separate lending and underwriting criteria, and separate systems to administer their accounts.

Clydesdale's and Virgin Money's mortgage products are not interchangeable. After Clydesdale declined to offer Mr N new BTL mortgages, I wouldn't expect Clydesdale to provide him with details of Virgin Money's products. That's because Virgin Money is a separate business in its own right. Clydesdale didn't have access to Virgin Money products, and vice versa.

I'm satisfied the documentation for both Mr N's previous mortgages with Clydesdale and his new mortgages with Virgin Money make it clear that these are two separate lenders. Whilst I've noted Mr N's argument that both businesses used the same company registration, that doesn't detract from the fact that they operated as two separate businesses.

In the circumstances, therefore, I'm unable to find Clydesdale has done anything wrong. I appreciate this isn't the outcome Mr N was hoping for. I can see from what he has said how important this complaint has been to him, and I've noted his point that he believes the bank's stance wouldn't be upheld by a court. Mr N is, of course, under no obligation to accept my decision. If he doesn't, it won't be legally binding on him or Clydesdale, and Mr N will be free to pursue his grievances against the bank in court, should he wish to do so.

### **My final decision**

My final decision is that I don't uphold this complaint.

This final decision concludes the Financial Ombudsman Service's review of this complaint. This means that we are unable to consider the complaint any further, nor enter into any discussion about it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 1 April 2025.

Jan O'Leary  
**Ombudsman**