

## **The complaint**

Mr S complains about the service he received from Clydesdale Bank Plc trading as Virgin Money when he raised a query about reward points earned on his credit card.

## **What happened**

Mr S holds a credit card account with Virgin Money. The account is linked to a reward scheme and Mr S earns points when he makes purchases on the credit card. The number of points earned are shown on his credit card statement each month. The points are then transferred to his reward account.

Mr S's credit card statement for May 2022 showed that he had earned a certain number of points that month. But he says that none of the points were added to his reward account. His credit card statement for June 2022 showed the number of points earned that month. But he says that only some of these were added to his reward account, not all of them.

Mr S contacted Virgin Money in June 2022 for an explanation. Virgin Money logged the query as a complaint but said it was taking longer than usual to investigate due to an unusually busy period. By November 2022, Mr S still hadn't received a substantive response, so he asked this service to look into the issue. He was still waiting for an explanation of the discrepancy between the points shown on his credit card statement and those which appeared on the reward account. He was by that stage also unhappy with the way Virgin Money had dealt with his query, in particular the fact that it had taken so long and Virgin Money had stopped updating him.

Virgin Money issued its final response to the complaint in February. It said that, although Mr S earns points on purchases made on his credit card, those points are clawed back if the purchases are refunded. It said that Mr S had earned reward points on numerous transactions which were subsequently refunded to his credit card account. So, the reward points associated with those transactions had to be clawed back.

Virgin Money said that Mr S would need to earn new points equivalent to the value of those linked to the refunds before any points could be applied to the reward account again. Virgin Money said that was why it didn't send any points across to the reward scheme in April or May and only some of the points earned were sent across in June. It said it hadn't made a mistake in its handling of the points, so it didn't uphold this part of the complaint.

But Virgin Money apologised for the length of time it had taken to investigate Mr S's complaint. It said it was experiencing an unusually busy period and hadn't been able to meet the usual timescales. It also apologised for the long wait times which Mr S said he experienced when he tried to call Virgin Money. It upheld this part of his complaint and paid him £20 as an apology for the distress and inconvenience caused.

Mr S wasn't happy with this outcome. He said that his request for information about the reward points wasn't a complaint and that he had simply wanted to understand how the points were being dealt with. He said that his complaint was about Virgin Money's customer

service failings. He said that it hadn't responded to his simple request for an explanation over a period of months, which is why he referred the issue to this service.

I issued a provisional decision on 18 September indicating my intention not to uphold the complaint. Virgin Money confirmed that it didn't have any further comments. Mr S commented that my provisional decision placed too much emphasis on his original request and that his complaint is not about the way Virgin Money issues points. He also said that his complaint is not about Virgin Money's complaint handling policy but is to do with whether Virgin Money treated him fairly by taking nine months to answer a simple question. I'm now making a final decision about the complaint.

### **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.

When Mr S first contacted this service, Virgin Money hadn't answered his query about the reward points. That's the query which Virgin Money addressed in its final response letter, as outlined above. It's included in the background section of this decision as that issue was originally referred to this service. Mr S has since confirmed that he understands Virgin Money's explanation of how the points were handled and has no issue with this. So I don't need to look into it here.

However, Mr S says that Virgin Money doesn't proactively inform customers how the points will be handled and he says there is nothing in Virgin Money's literature which explains this. Also, he says it shouldn't take such a long time to provide customers with such basic information.

The reward scheme itself isn't operated by Virgin Money but is run by a separate company. I understand that Mr S's reward account is subject to its own terms and conditions, between Mr S and the reward scheme. I'm not looking at the actions of that business here, so I can't comment on the way it handles points or whether its literature is clear.

But I note that the help section of Virgin Money's website includes an explanation of the way points are affected by refunds. It's unfortunate that Mr S didn't see this information, as I think it would have answered his query. But I don't find that to be Virgin Money's fault.

Mr S says he tried to contact Virgin Money to ask about the points. He says he had to send his request via an online complaints service because it had proved impossible for him to contact Virgin Money through its own channels. I haven't seen any details of when or how Mr S tried to contact Virgin Money before raising the complaint. But Virgin Money addressed this comment in its final response letter. It apologised if Mr S had been unable to contact it because of long call waiting times and paid him £20 as an apology for this.

I don't know how many times Mr S tried to call Virgin Money or how long he spent trying to get through. But I haven't seen any evidence that call waiting times were excessive or that he suffered significant inconvenience in this respect. So, I think the £20 paid by Virgin Money for this issue is reasonable.

There's no doubt that it took a long time for Virgin Money to provide an explanation about the points. Mr S first asked the question in June 2022 and didn't get an answer until February. But I'm not going to ask Virgin Money to do anything about that in the circumstances here. That's because, from the information I've seen, I don't think Virgin Money had the opportunity to answer Mr S's query directly before the complaint was initiated. I also think that Mr S could have found the answer he was looking for on Virgin Money's website.

Mr S logged the complaint on 17 June 2022. Part of his query was to do with points earned on the June statement, which was dated 15 June 2022. I don't know what steps Mr S took to try and contact Virgin Money in between receiving the statement and logging the complaint. But, from what I've seen, I can't conclude that Virgin Money had the chance to respond before the complaint was raised.

Mr S says that his request for an explanation of the points wasn't a complaint. He's very unhappy with the way Virgin Money dealt with his request. I can understand his point of view that a relatively straightforward request shouldn't need to be dealt with as a complaint. But I find that the complaints process was initiated by Mr S himself. Once he had raised the issue through the online complaint service, I don't think it was unreasonable for Virgin Money to deal with it as a complaint.

Unfortunately, this meant it went into the complaints system and got caught up in the backlog of complaints Virgin Money was experiencing at the time. I understand that Mr S is very unhappy with the way Virgin Money dealt with the complaint and the customer service he received in that respect. Virgin Money has apologised for the delay in dealing with the complaint. But this didn't prevent him from referring the complaint to this service, which is what he did.

In conclusion, I don't think Virgin Money treated Mr S unfairly. I don't think it had chance to answer his query about the points before he raised a complaint. I haven't seen any evidence that Virgin Money was aware of the query before it received Mr S's complaint. The fact that the query was relatively straightforward doesn't change my thoughts that it was reasonable for Virgin Money to deal with it as a complaint. That's because Mr S raised it through the complaints process. I think the outcome of the complaint was fair. As to the way the complaint itself was handled, I explained in my provisional decision that it's not something I can look at here because complaint handling isn't a regulated activity.

### **My final decision**

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 7 November 2023.

Katy Kidd  
**Ombudsman**