

The complaint

Ms M complains that Clydesdale Bank Plc trading as Virgin Money hasn't responded to her requests to pay off the balance on her credit card account and change her address. She wants her credit card to be transferred to her new address, the adverse information removed from her credit file and an apology and compensation for the poor service she has received.

What happened

Ms M moved to England in January 2022 and needed to cancel her previously set up direct debit for her credit card payments and set up a new direct debit from a UK bank account or pay off her balance and transfer her account to her new address. She says she has tried to contact Virgin Money several times in order to pay off her balance and change her address, but she is being ignored. She says she is now receiving non-payment notices and this issue is having an impact on her credit file.

Virgin Money issued a final response letter dated 30 January 2023. It said it was unable to find any letters received in February 2022 or March 2022 relating to change of contact information and when Ms M called on 13 July 2022, she didn't pass the security questions. Ms M was transferred to its fraud team, and identification and verification was requested so that Ms M's account could be discussed but it said this hadn't been received.

On 14 July 2022, Virgin Money received a report confirming Ms M had cancelled her direct debit. Because of this, arrears built on her account, and it wrote to her about this. It said all correct information was supplied to the details it held on file and the impact on Ms M's credit file occurred because she cancelled her direct debit. It did apologise for the time taken to address Ms M's complaint and that she felt her letters had been ignored and credited her account with £75 because of this.

Our investigator said that Ms M was unable to change her address when she called Virgin Money as she failed security and he noted that Virgin Money had provided a list of documents needed in order to change Ms M's details. He didn't think that Virgin Money had done anything wrong by only sending letters to the address it had on file. He noted the credit file markers were the result of Ms M cancelling her direct debit and so didn't require Virgin Money to do anything in regard to this. He thought the £75 compensation paid was reasonable for the service issues Ms M had experienced.

Ms M didn't agree with our investigator's view. She said it wasn't fair that while she is trying to make payments on her account she is being penalised financially (through interest charges) and through adverse information on her credit file. She says her circumstances mean she can't pass the security questions asked when she calls, and she has tried by phone and letter to resolve the issue but doesn't get a response. Ms M says she didn't realise when she cancelled her direct debit that she would encounter the issues she has in trying to set up a new payment. She wants the interest and charges applied to her account during this period removed along with the adverse information removed from her credit file.

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.

I can understand how frustrating Ms M must have found her experience in dealing with Virgin Money. She emailed Virgin Money on 8 June 2022 saying she had tried to make contact by telephone, but the calls were unsuccessful and there were long wait times. In this email Ms M provides her previous details (name, address, telephone number) and her new details (name, address and telephone number). She also provides the amount she is paying each month towards her account and the bank details from which the payment is being made. She asks for her balance to be provided so she can pay this.

The approach taken by Ms M doesn't meet Virgin Money's requirements for updating her details, and I can see the previous address details provided didn't match those Virgin Money held. So, I do not find it did anything wrong by not updating the details. It would have been reasonable for Virgin Money to provide Ms M with information of how to update her details but unfortunately due to the contact information it held any letters would have been sent to an incorrect address and her telephone number had also changed.

Ms M cancelled her direct debit payment in July 2022. I accept that Ms M was trying to set up a new direct debit payment but given the issues she had experienced in amending her details with Virgin Money I think it would have been reasonable that she kept her payments in place until she had managed to pay off her balance or set up a new payment mechanism. Because she didn't, the missed payments were recorded on her credit file and the associated charges applied to her account.

Virgin Money has acknowledged that it didn't provide the service it should have and having looked through the email chains and letters provided I think more could have been done to assist Ms M sooner. Virgin Money has apologised and paid Ms M £75 compensation because of this. I understand Ms M's comments that the delays in responding to her had a much larger impact as interest and charges were applied to her account and her credit file was adversely affected. I do have sympathy with these comments but as Virgin Money didn't have the correct information on file (address, phone number or email) had it been more responsive these wouldn't have been to the right contact details.

This is a difficult situation as Ms M had made it clear that she wanted to make payments towards her account, and I can understand why she feels that she shouldn't be penalised because she was unable to do this. But because Ms M wasn't able to pass security on the telephone and Virgin Money's policy was to send letters to the address it had on file, I cannot say that Virgin Money did anything wrong by following its usual processes.

Virgin Money provided its final response letter through this service so that this could be provided to Ms M. This included information of what Ms M should do to get her details updated. I find this reasonable. Ms M did provide a copy of her driving licence but this didn't meet all the requirements set out in the final response letter.

Since our investigator issued his view, he has been in contact with Virgin Money to ensure the information Ms M has sent is received and to identify what else is needed. Virgin Money has received the copy of Ms M's driving licence and has noted what else is needed. I can understand why Ms M is finding this process frustrating but Virgin Money has provided the details of what is still required. I note Ms M's concerns about providing proof of an address that she hasn't lived at for many years and this has been raised with Virgin Money. Virgin Money has confirmed that any formal document with the old address is acceptable.

In conclusion, this is an unfortunate case and I accept that Ms M has tried to update her details and make payments. But due to the changes in her details and as previous details

weren't up to date this process hasn't been straight forward. While I think Virgin Money could have done more to assist Ms M, I find the compensation paid is reasonable. Virgin Money has provided details of the information that is still required, and I would expect to work with Ms M to assist in the process of updating her details.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 26 September 2023.

Jane Archer
Ombudsman