

The complaint

Miss W complains that Clydesdale Bank Plc trading as Virgin Money didn't credit payments made to her account in time. Miss W is represented by Mr S.

What happened

Mr S says he made two payments of £500 to Virgin Money on 8 April 2022 by Faster Payment (FP). He says there was a delay in crediting the account which caused the account card to be repeatedly declined. Mr S says the money took a "number of days" to be credited to the account. He would like an explanation. The account is in Miss W's name and Mr S is an additional card holder.

Virgin Money says the first payment of £500 was received in working hours on 8 April 2022 and was credited that day and says the normal time period is within two hours although there is no guarantee. It says at the time of the payment the account had exceeded the credit limit and it is entitled in line with account terms and conditions to reject card use. Virgin Money says the second payment was received after working hours and so was applied to the account the following business day. It says money is not available to spend as this is not a current account but a credit card account.

Mr S brought the complaint to us, and our investigator didn't uphold it. The investigator thought the first payment was credited to the credit card account on 8 April 2022 and the second on 11 April 2022 which was the next business day. The investigator thought the FP system said payments are normally credited within two hours but with no guarantee. And the FP system made clear that some payments could take longer especially on a weekend. The investigator also thought the account had exceeded the credit limit.

Mr S doesn't accept that view and in summary says a FP should be credited within two hours at any time.

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 have come to the overall view that I don't uphold this complaint.

I'm satisfied that this is a credit card account and not a current account. I can see that at the time of the two payments in April 2022 the credit card account had a balance close to if not exceeding the credit limit. And that Virgin Money wrote to Miss W on 5 April 2022 telling her the account balance was £6,622 and her credit limit was £6,500. So, I'm satisfied that at the time of the payments Miss W owed Virgin Money that amount. It follows that the payments to Virgin Money were not for example credits to a current account but payments which reduced a credit card account balance. I'm also satisfied that the payments of £500 were no longer Miss W's but simply reduced a debt.

The account terms and conditions, which I think Miss W would have agreed to when the

account was opened, make clear that Virgin Money does not guarantee the use of an account card. So, I'm satisfied that as this is a credit card account and not a current account that it would be up to Virgin Money to have authorised any account use in any event, regardless of when the money was credited to the account.

It follows that, as I'm satisfied that this was not Miss W's money to use, I can't see any evidence of any real impact to either her or Mr S. I have not seen any evidence of the account card being declined and, in any event, have made clear that I think Virgin Money would have been entitled to reject account use in line with account terms and conditions. The only impact that could have been caused here is if Virgin Money had delayed crediting the account which in turn resulted in for example late payment fees but that is not the case here.

I have looked at Virgin Money's records and the information Mr S has provided from the bank that the payments originated from. Having done so I'm satisfied that Virgin Money credited Miss W's account with the first payment of £500 on that same day. And applied the second payment on the next business day. I'm satisfied both payments were correctly applied in line with the FP system which makes clear that some payments may take longer if made outside business hours which the second payment was. I make that clear even though I don't think the FP issue is the key issue here as I'm satisfied this was not Miss W's money and she had no automatic right for account use.

Overall, I don't think Virgin Money has acted unfairly or made a mistake and that a credit card account does not operate as a current account. There is no guaranteed use of such a credit card account.

I find this now brings an end to what we in trying to resolve this dispute informally can do.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 19 August 2023.

David Singh
Ombudsman