

Complaint

Mr W has complained about the overdraft charges which Clydesdale Bank Plc (trading as "Virgin Money") added to his account.

Background

One of our investigators looked into Mr W's concerns. He didn't think that Virgin Money had done anything wrong or treated Mr W unfairly and so didn't recommend the complaint be upheld. Mr W disagreed and so the complaint was passed to an ombudsman for a final decision.

My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having carefully considered everything provided, I've decided not to uphold Mr W's complaint. I'll explain why in a little more detail.

Before I go any further, I want to be clear in saying that I haven't considered whether the various amounts Virgin Money charged over the years were fair and reasonable, or proportionate in comparison to the costs of the service provided. Ultimately how much a respondent firm charges for services is a commercial decision and this isn't something for me to get involved with.

That said, while I'm not looking at Virgin Money's charging structure per se, it won't have acted fairly and reasonably towards Mr W if it applied these interest, fees and charges to his account in circumstances where it was unfair to do so. Mr W says it was unfair for Virgin Money to charge him the fees it did here because it ought to have seen they were causing him hardship. So I've considered whether Virgin Money charged Mr W even though it knew he was in financial difficulty or it ought to have realised this was the case.

I've looked through the account statements provided. And I can't see that Virgin Money ought to have been aware that Mr W might have been struggling. Mr W didn't really use his overdraft much during this period. Crucially Virgin Money also refused to make a number of payments from Mr W's account which would have led to him developing an unsustainable overdraft debt which he wouldn't have been able to repay.

So, in these circumstances and in the absence of being told anything by Mr W, I don't think that it was unreasonable for Virgin Money to have proceeded adding the charges that it did. And I don't think Virgin Money charged Mr W in circumstances where it ought to have realised that it was unfair to do so.

Overall and having thought about everything, I don't think that Virgin Money unfairly charged Mr W in circumstances where it ought to have realised that he may have been experiencing financial difficulty. And it took reasonable steps to ensure that Mr W didn't accumulate an unsustainable debt that he wouldn't be able to repay. This means that I don't think that Virgin

Money treated Mr W unfairly or that it needs to refund any interest, fees and charges. And I'm not upholding Mr W's complaint.

I appreciate that this decision will be very disappointing for Mr W. But I hope he'll understand the reasons for my decision and that he'll at least feel his concerns have been listened to.

My final decision

For the reasons I've explained, I'm not upholding Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 8 August 2023.

Jeshen Narayanan
Ombudsman