

The complaint

Mr O complains that Clydesdale Bank Plc, trading as Virgin Money (Virgin), didn't send him statements, which led to charges and defaults being unfairly reported to Credit Reference Agencies.

What happened

In May 2019, Mr O opened a credit card account with Virgin with a £1000 credit limit.

Mr O requested to receive paper statements and declined Virgin's on-line and telephone banking services.

Mr O credited his account with funds so he could make a purchase for £2500. However, he changed his mind on the purchase and instead of requesting a repayment of the additional funds he decided to use it for daily expenditure items.

Mr O says that, between June and October 2019, he didn't receive a number of statements so he couldn't verify what he had spent and his outstanding balance. He explains that he didn't get responses from Virgin when he contacted them to request this information and when he saw a credit marker on his credit report he realised there had been defaults.

However, when Mr O complained, Virgin said that he had only contacted them about the non-receipt of statements in late November 2019 and this was after they had notified him about late payments and taken arrears action. Also, their collections team had made unsuccessful efforts to contact Mr O.

Virgin did though apologise for their complaint communication service and credited Mr O's account with £50 compensation.

Mr O complained to our service as he wanted to receive a refund of charges and have the defaults removed from his credit file. However, our investigator couldn't see that Virgin had made any errors and didn't uphold his complaint.

As Mr O remains dissatisfied this case has now been referred to me to look at.

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 think the investigator has reached the right conclusion here. I don't think Virgin has acted unfairly or unreasonably in its dealings with Mr O and I'll explain why.

Mr O says that, between June and October 2019, he didn't receive a number of statements and he couldn't verify his expenditure. So, I checked the information on file, including system records, to see if Virgin had used the correct address and actioned Mr O's request for free paper statements to be posted, as set out in their terms and conditions. I couldn't see that Virgin had made any errors here. There is evidence on file which shows Virgin set up a

monthly paper statement facility for Mr O's account. Also, they had the correct address listed and there were no records of any post being returned.

It's unclear how many statements Mr O didn't receive between June and October 2019. The information on file indicates that Mr O did receive some statements together with letters at the address he registered. Mr O says he believed the statement for June 2019 was received following his request at a Virgin branch that he visited and, in his correspondence to Virgin, he refers to letters dated 16 October and 1 November 2019 which he received.

So, considering the above, I am satisfied that Virgin dispatched the statements and the non-receipt of statements wasn't due to a Virgin error. Whilst it isn't possible to know what happened to the missing statements, I don't think it would be fair or reasonable to hold Virgin responsible for postal issues.

As Mr O experienced statement issues, I looked at alternative ways Mr O could've accessed his statement or got information on his transactions, account balance and minimum payment.

Virgin offered on-line or telephone banking, however for an unknown reason Mr O declined these services. Whilst this was Mr O's prerogative, these banking services enable customers to access statements and balances. They are in place for busy customers like Mr O and act as a preventative measure, so customers don't have to worry about paper statements being delayed or not being received. In addition, as banks can't control postal delivery services and can't be held responsible if mail gets lost or misplaced, they prevent paper statement issues impacting upon customers and enable them to meet their contractual obligations.

Virgin customers also have access to a branch network and Mr O describes visiting two branches 'between July and September' 2019. And, where customers have difficulties making payments, Virgin have a collections team who will reach out to them. The file shows that Mr O was able to use this branch network and that Virgin's collection team tried to make contact with him.

Mr O is categorical that he didn't receive some statements. He says that he had 'no idea what the state of my account was from one month to the next', refers to the 'the difficult situation they have created' and reversed his direct debit payment to Virgin. So, I considered his difficult situation and whether his non-payment, which led to fees and defaults, was reasonable.

Regarding Mr O's difficulties reconciling his credit card account, a contributory factor appears to be that he wasn't using his account as intended. Whilst I appreciate the reason, he has given for putting his account in credit and using it for everyday expenditure, the terms and conditions that Mr O signed up to say:

- 'You must not make payments that put your account in credit.'

Regarding non-payment and the non-receipt of statements, Virgin's terms and conditions say:

- 'Each month, you must pay at least the Minimum Payment in pounds sterling, shown on your statement
- If we do not receive the Minimum Payment by the payment date, we will apply the late payment default charge set out in our Tariff. We will also let Credit Reference Agencies know you have not paid

- You must tell us straight away if:
 - o you do not receive a statement when you expect one
 - o you are not able to access your statement
 - o you think something on your statement is wrong'

File notes show that Mr O chose to use his account differently and relied on paper statements which Virgin dispatched. Although Mr O says he did receive some statements after visiting branches, I can't see that Virgin were made aware that Mr O had reconciliation and statement difficulties until it was too late. This is because Mr O informed Virgin of his difficulties in late November which was after he had reversed his direct debit and Virgin had made collection efforts and sent their missed payment letters.

Virgin clearly set out to Mr O how he should use the account, what to do if statements weren't received together with minimum payment requirements. Also, Virgin didn't make a mistake issuing statements and gave Mr O facilities and opportunities to reconcile his account and avoid the charges and defaults. Furthermore, Virgin gave Mr O the opportunity to settle his missed payments. Their customer contact records show they made outbound calls and, although they were unable to speak to Mr O, they left messages and sent missed payment letters which Mr O received.

So, having considered all of the above, I'm satisfied that Virgin's charges, defaults and Credit Reference Agency reporting actions were fair and reasonable and I'm not upholding this complaint.

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 Mr O to accept or reject my decision before 16 November 2023.

Paul Douglas
Ombudsman