

The complaint

Mrs M complains about how Clydesdale Bank Plc, trading as Virgin Money, dealt with her chargeback dispute.

What happened

Mrs M has a Virgin Money credit card. In July 2022 she used that card to pay £55.79 for some goods which were never delivered. In August she raised a chargeback dispute. She complains not about the outcome of that dispute, but rather about various customer service issues concerning it. These are:

- Virgin Money sent her a misleading letter saying that the amount of £55.79 had been placed “in dispute,” meaning that she would not have to make any payment for it, but that this had turned out not to be the case, and she had had to repay it;
- When she had phoned Virgin Money to raise her claim, she had been told she had to write a letter, and had not been told that she could fill in a form online instead, nor had she been told how to update her phone number on her account;
- She had had to spend too long waiting on the phone, and too long on a phone call once it was answered;
- When she had first tried to phone, the phone line had been closed early; and
- Virgin Money had taken too long to resolve her complaint.

Virgin Money upheld Mrs M’s complaints about some of these matters, and paid her £150. But it did not agree with her about the first two matters. It maintained that she had not been required to repay the disputed amount, and that any interest charged on it would be refunded. And it said its complaint handler had told Mrs M that she could reply to her email and she would forward it to the disputes team for her, which she did.

Being dissatisfied with that response, Mrs M brought this complaint to our service. She asked for another £150 in respect of the issues Virgin Money had not upheld.

Our investigator did not uphold this complaint. He looked at Mrs M’s credit card statement and saw that it said that no payment was due. He thought that Virgin Money had not made any errors when raising her chargeback dispute or when telling her how to raise it. He thought that £150 was fair compensation for the admitted errors.

Mrs M did not accept that opinion. She insisted that she had been obliged to pay Virgin Money £55.79. And she maintained that she should have been told that she could fill in a form online. She asked for an ombudsman to review her case.

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 do not uphold it, for broadly the same reasons as my colleague.

When Mrs M raised her chargeback claim, Virgin Money sent her a letter which included the

following paragraph:

“We have placed this transaction 'in dispute', which means you will not have to make any payment for it, and you will not be charged any interest on it while it is being investigated. Please note, although this transaction is in dispute, it will still be part of your account balance reducing the amount you have available to spend.”

I have seen nothing on Mrs M's credit card statement which contradicts this. It says there are no interest or charges to pay, and then it goes on to say that the requested payment is zero:

Your Requested Payment

£0.00

Payment date

31/08/2022

The disputed payment was of course included in the total account balance, which is what the letter said would happen. This was a credit card, not a charge card, so Mrs M was under no obligation to repay the entire account balance if she didn't want to. I do not uphold her complaint about that.

Turning to the matter of how a chargeback claim may be raised, I do not think that writing an email or a letter is significantly more onerous or appreciably more inconvenient than filling in an online form. It would have been better if Mrs M had been told that the online form was an available alternative, but the omission to tell her that does not seem to me to be worth awarding compensation for. So I do not uphold that part of her complaint either.

Finally, I think that £150 is fair compensation for the issues for which it was paid.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 9 November 2023.

Richard Wood
Ombudsman