

The complaint

Ms E complains about the rate of interest being applied to the credit card account she holds with Clydesdale Bank Plc trading as Virgin Money. She's also unhappy with the level of support they provided when she raised her concerns about this.

What happened

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my decision.

I issued my provisional decision on 20 November 2023. In this, I explained that I couldn't agree Clydesdale were charging Ms E the incorrect APR for her credit card. However, I did think a £50 award was fair to reflect some of the difficulties she experienced when trying to send them her completed income and expenditure. I gave both parties until 4 December 2023 to send me any further comments and/or evidence for me to consider.

Clydesdale didn't respond to my provisional decision, and Ms E disagreed with it. She felt I hadn't fairly or appropriately taken relevant regulations into account; nor did she think the £50 award went far enough to recognise the distress and inconvenience she'd experienced.

I've considered Ms E's comments alongside all the information we've been provided, but I've not been persuaded to change my mind. As such, my decision remains the same.

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 considered everything, I'm upholding Ms E's complaint – albeit not as she hoped, for these reasons:

- When Ms E opened her credit card account, she had a 0% promotional rate for transfers. This was due to end in mid-October 2021. And when she opened the account, Ms E was told what her APR would be when the promotional rate ended. In mid-October, Ms E still had an outstanding balance and the evidence we've been provided shows Ms E was charged the APR she was told about when opening the account. If Ms E wasn't happy with this APR, she could have ended her agreement with Clydesdale before using the card. As this didn't happen, I can't agree that Clydesdale treated her unfairly by charging the agreed APR once the promotional rate ended. Ms E's statements also told her when the promotional rate was due to end, ahead of time. So, I'm persuaded she had access to information that ought to have made a reasonable customer aware of the interest rate that was applicable to their account.
- I've noted Ms E explained that the cost living crisis has impacted her ability to make repayments towards her outstanding balance. While I don't agree that means

Clydesdale were obligated to reduce her APR, they were expected to offer her support. So, I've considered whether they did what I'd expect in the circumstances.

- When Ms E raised her complaint, Clydesdale issued their final response in mid-March 2023. This explained they didn't think they'd done anything wrong by charging interest on her outstanding balance because her promotional rate had ended. However, Clydesdale explained they would waive her interest for the month of March to give Ms E the opportunity to speak with them about any support she needed. I consider this was fair and reasonable in the circumstances. I understand Ms E didn't receive Clydesdale final response that explained this until two months later, so I can understand why she would have felt frustrated. However, I'm satisfied the final response was sent in time, and I can't fairly hold Clydesdale responsible for any problems with the post.
- Ms E was frustrated after not receiving a response to her complaint. So, she called Clydesdale in mid-May 2023, and I've listened to the two calls that took place on that day. The first adviser explained what was detailed in the final response letter and offered to go through Ms E's income and expenditure so that they could assess what support could be provided. Ms E had an appointment to go to and didn't have the time to complete this over the phone, so it was agreed a form would be sent to her to complete. When Ms E didn't receive the form, she called back (on the same day) asking for it to be sent again. The second adviser offered to take the information about Ms E's income and expenditure over the phone. Ms E declined his offer, so the advisor agreed to send a form to her. The second adviser also attempted to ask further questions about Ms E's account to ensure he understood her circumstances and what support she might need, but Ms E explained she didn't want to answer his questions and would just complete form.
- Given everything we've been provided, it's clear Ms E was keen to get an agreement in place and work with Clydesdale when it came to managing her account. She was trying to be proactive, so I can understand why she would have felt frustrated when she wasn't receiving correspondence from them. However, having listened to the calls, I consider the advisers she spoke to were professional. The questions they asked persuade me they were equally as keen to see what support was available as they were trying to take things as far as they possibly could over the phone. It's just unfortunate that couldn't happen due to Ms E's schedule. But given the time it can take to complete an income and expenditure over the phone, I don't consider that's unusual – so it wasn't unreasonable that Ms E asked to complete a form instead.
- Ms E said she returned the income and expenditure form four days after calling Clydesdale. However, Clydesdale say they didn't receive the form and their systems don't show that anything was received. Given Ms E's pattern of behaviour throughout this complaint, I consider it's most likely that she completed the form when she said she did. So, it appears something went wrong and prevented Clydesdale from receiving it. But that is why Ms E didn't hear back from them after sending her completed form.
- I've seen evidence that Ms E repaid her outstanding balance in September 2023. This means there is nothing further Clydesdale needs to do in respect of the issues regarding interest. However, I do think Clydesdale needs to do something to recognise the problems Ms E experienced receiving the income and expenditure form sent by the first adviser she spoke to in May 2023. I also think something needs

to be done to recognise the impact of not receiving a response after completing the income and expenditure form. That's because, in the same way I don't hold Clydesdale at fault for issues in Ms E receiving their final response letter, I don't consider it's fair that she be held at fault for any issues that may have prevented Clydesdale receiving her income and expenditure form that was completed online. I consider an award of £50 is appropriate to recognise the inconvenience Ms E experienced because of these issues.

- I don't dispute Ms E has found this situation stressful and worrying. However, when deciding what I consider to be a fair outcome I've had to take all circumstances into account. Ultimately, Clydesdale couldn't offer further support until they received Ms E's completed income and expenditure. And while I accept it wasn't her fault it wasn't received, there is only so much Clydesdale could do if they didn't know it had been completed. I'm also mindful of the fact that at the end of May 2023 (10 days after her call with the second adviser), Ms E told our service she was no longer going to attempt to resolve things directly with Clydesdale given the time she'd been waiting. And given her previous experiences, I can understand why she may have felt that way, to some extent. However, if she then took steps to reduce - and subsequently repay her outstanding balance without further attempts to talk to Clydesdale (as our Investigator encouraged her to do in early June 2023), I cannot fairly hold them solely responsible for the situation Ms E now finds herself in. While Ms E may not think this is the case, I have taken the perspectives of both parties into account before reaching my decision. That is why I maintain the £50 award is fair and reasonable in this case.

I know this isn't the outcome Ms E hoped for, but for the reasons detailed above, I'm upholding this complaint – in part.

My final decision

My final decision is that I'm upholding Ms E's complaint about Clydesdale Bank Plc trading as Virgin Money

To put things right, Clydesdale Bank Plc trading as Virgin Money should pay Ms E £50 in recognition of the distress and inconvenience their mistakes caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms E to accept or reject my decision before 8 January 2024.

Sarrah Turay
Ombudsman