

## **The complaint**

Mr D complains that Clydesdale Bank Plc trading as Virgin Money didn't tell him he didn't have enough money in his account for a direct debit payment to be made.

## **What happened**

Mr D says Virgin Money didn't send him a text message telling him he didn't have enough money in his account for a direct debit payment for £55 to be made. He says if the text had been sent then he could have arranged for money to be transferred to the account. Mr D says the mistake has impacted his credit file and says the compensation offer isn't enough.

Virgin Money says a direct debit payment was due on 29 November 2022. It says it sent Mr D five messages telling him his account was overdrawn but accepts it didn't tell him the direct debit would fail unless funds were added to the account. Virgin Money also accepts it gave misleading information about the reason for what took place and has paid £75 compensation.

Mr D brought his complaint to us, and our investigator thought the compensation appropriate for what took place. The investigator thought there was a similar problem on 18 November 2022 but thought it up to Mr D to manage his account. And that a payment into Mr D's account for the direct debit amount of £55 called "credit card" was made after the direct debit attempt on 29 November 2022.

Mr D doesn't accept that view and maintains the compensation isn't enough and that he has been paid £200 for a less serious mistake. He says the payment into the account was not for the direct debit and is a coincidence it was called "credit card".

## **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 appreciate Mr D will be disappointed by my decision.

I have looked carefully at Virgin Money's records and can see the direct debit to Mr D's credit card provider of £55 was due on 18 November 2022. I don't think Mr D's account had enough money in it to allow the direct debit to be taken and that Virgin Money wrote to him to tell him. There is no dispute that Virgin Money tried to take the direct debit on 29 November 2022 but again there wasn't enough money in the account. I can see that Virgin Money again wrote to Mr D to tell him that.

I appreciate Mr D says Virgin Money ought to have told him the direct debit would fail. But I can see Virgin Money did send Mr D numerous messages telling him his account was overdrawn and so I think Mr D ought to have been reasonably aware of the position as well as about the possibility he didn't have enough money in his account to allow the direct debit to be made. I'm satisfied that this was Mr D's account, and it is his responsibility to manage it

and to make sure there is enough money in it to allow scheduled direct debit payments to be made.

I also appreciate Mr D says had he been sent a message by Virgin Money then he would have made sure that money was transferred to the account. But I think Mr D ought to have been aware there wasn't enough money in the account and can see that after the direct debit was attempted on 29 November 2022 a transfer into his account for £55 was made which was called "credit card". I think it likely on balance that was a transfer into the account for the payment of £55 for Mr D's credit card payment and so think it likely on balance that Mr D must have been aware that the transfer was needed for that day. I appreciate Mr D says the payment amount and description is simply a coincidence, but I have to decide what I think is more likely to be the position.

There is no doubt Virgin Money didn't deal with parts of Mr D's complaint as it should and gave him misleading information about what took place and why. I have no doubt Mr D was caused inconvenience and frustration but am satisfied Virgin Money has fairly apologised. I am also satisfied Virgin Money has paid a fair and reasonable compensation award of £75. I don't think those mistakes justify further compensation and don't think it matters the amount Mr D received in compensation for other complaints. I have to look at a complaint individually and decide what is fair and reasonable in the circumstances of it.

Overall, I'm satisfied Mr D knew that the direct debit was due as a transfer was made into his account for the exact amount of £55 labelled "credit card" and ought to have been aware of the account balance as he received text messages about it. It follows that I think Mr D is responsible for the account management and I can't fairly order Virgin Money do anything further in the circumstances of 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 D to accept or reject my decision before 16 September 2023.

David Singh  
**Ombudsman**