

The complaint

Mr H complains Tesco Personal Finance PLC didn't reduce his credit limit when they said they would and failed to communicate with him effectively.

What happened

As I understand it, Mr H called Tesco on 18 April 2023 asking for his credit limit to be reduced from £250 to £200 to prevent the temptation to spend more than he wanted to. The agent told him they'd send it off to the relevant department and he'd get a reply within two days. Not long after, Mr H received a letter from Tesco saying sorry they couldn't increase his limit (not decrease it, as he'd asked), so he called again. The agent said they'd raise another request to the team to reduce his limit. After writing the final response letter, Mr H asked for a copy by email that wasn't password protected. Tesco said they couldn't do that but would post a copy out to him. Mr H was also unhappy with the background noise when he called on 2 May 2023, as he felt it was excessive.

Tesco said they couldn't decrease his limit from £250 to £200 as he'd asked because £250 was the minimum limit and were sorry they'd told him they could. They were also sorry multiple staff members didn't tell him £250 was the minimum credit limit. The credit limit increase letter was sent in error. In respect of their communication methods Tesco agreed they should allow customers an option on communication preferences. And when Mr H called them on 2 May 2023 the background noise was excessive. They said sorry for all these issues, gave feedback on them to the various individuals / departments – and paid £100 into Mr H's account.

Unhappy with this Mr H asked us to look into things. One of our Investigators did so, explained Tesco offered a £100 credit limit but decided not to provide this to Mr H, and overall found Tesco paying Mr H £100 was a fair outcome.

Mr H didn't accept this, saying his health hadn't been taken into account, the first time he heard about the £100 credit limit was in our Investigators outcome, and he doesn't think it's OK Tesco haven't provided all call recordings. Mr H also referred to various rules, guidance or standards issued by the Financial Conduct Authority (FCA) – including:

- Consumer Duty
- COCON 2.1
- COCON 3.1

Our Investigator acknowledged these issues, but as Mr H remained unhappy the complaint's been passed to me to decide.

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.

I think it's important to firstly explain I've read and taken into account all of the information provided by both parties, in reaching my decision. I say this as I'm aware I've summarised Mr H's complaint in considerably less detail than he has. If I've not reflected something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless I think it's relevant to the crux of the complaint.

Credit limit decrease

The terms and conditions of the type of account Mr H has says the minimum credit limit is £100.

I've seen Mr H say he didn't know this until our Investigator wrote it in her view. I don't question that but should explain it's in the terms and conditions which I presume he would have been given when taking out the card. If Mr H doesn't agree he was provided with these terms and conditions, then he can raise a further complaint to Tesco – as that isn't something he's already complained to them about as far as I'm aware, so I can't consider it as part of this complaint.

It's clear on the phone when Mr H calls, he's told Tesco can and will reduce the credit limit. I find this disappointing that Tesco gave him the wrong information. I also think there was potentially a clue for Tesco's agent in the first call on 18 April 2023 to be aware this might be an issue – as Mr H said he tried to do this in the app and it wouldn't let him. Nor would one of her systems let her – so in the circumstances I don't think she should have been so definitive as seemingly the ability to reduce the credit limit wasn't in her control.

So, I agree Tesco's agents gave Mr H the wrong information.

The reason Tesco have given for not reducing Mr H's credit limit is because his balance at the time was £199.81 – so just 19p below the new limit of £200 he was asking for. Tesco have said the £100 credit limit is usually only for new accounts and is rarely used. On existing accounts, they'd rarely reduce the limit below £250. In the circumstances, that seems reasonable.

So, although I don't think Tesco communicated with Mr H fairly – which I'll address at the end in the 'Putting things right' section, I do think they've acted fairly in not reducing his credit limit.

Credit limit increase letter

The letter Mr H received said Tesco were sorry they couldn't increase his credit limit as he'd asked.

Tesco said this was sent by their underwriting team and hadn't been manually written. Unfortunately, the person selected 'increase' letter template, instead of the 'decrease' letter template.

As this was an error, I'll take this into account at the end in the 'Putting things right' section.

Communication methods

While on the phone to Tesco Mr H asked for confirmation of his credit limit increase to be emailed to him. The agent said they couldn't do that, and said they'd send a text instead.

Mr H said he didn't want that and asked why they couldn't just email him like he asked. The agent only said it wasn't an option available. Mr H then asked for it to go out to him by letter, and the agent confirmed they could do that.

The decision of what communication methods is one for Tesco to make – I can't force them to adopt a particular type of communication for their customers. But it's clear Mr H wasn't happy with the options he was given, and I think the agent could have tried to be clearer about 'why' she couldn't send an email. She simply said it wasn't an option. While that seems to be accurate, Mr H asked why, and she didn't have an answer. So, I think the agent could have handled it better, and again I'll address this at the end.

Phone call on 2 May 2023

I've not been provided with a copy of this call I can listen to. But given Mr H said the call had too much background noise and Tesco have agreed with this, I don't think I need the call. That's because both parties agree on what's happened.

Other issues

Mr H is concerned that we've not taken into account his health and disability. I'm sorry he feels that way as that's certainly not our intention. But, I need to be clear that Mr H hasn't explained exactly what his health conditions are, or how the events of this complaint have impacted him when we've asked.

In order to factor impact of any kind (health, financial loss, emotional distress) we'd need to know what's happened to do that. Without that information, which Mr H has made clear he doesn't think he should have to share with us, we simply can't factor it in. I'm sorry if this disappoints Mr H, but I hope he can understand why I'm saying that.

In respect of call recordings, it is unhelpful Tesco haven't provided all of the calls. As Mr H knows, I've been looking at his case for a little while and asked our Investigator to gather more information – including phone calls – from Tesco. Although Tesco have said they've provided everything I asked for, that isn't the case. So, I've thought about whether I can go ahead with what I have – and I'm satisfied I can. Mr H has mentioned a specific call with someone I'll refer to as V. I've not heard that call. But, Mr H knows the outcome we've reached, and has provided several responses since to highlight his concerns. Those concerns are consistent with the issues he brought when he first raised his complaint to us – so I'm satisfied I understand all of his concerns. And I'm upholding them as I've set out above – so it's a question of to what degree I think things need to be put right.

Finally – Mr H has mentioned Consumer Duty, and some guidance from COCON. Consumer Duty came into force for open accounts on 31 July 2023 and isn't retrospective – so it doesn't apply in Mr H's case. And COCON stands for Code of Conduct. Broadly, the operation of the two parts of COCON Mr H has mentioned mean people working at Tesco need to act fairly. I'm already satisfied on several occasions Mr H hasn't been treated fairly – so I don't need to comment on those further.

Putting things right

Mr H called Tesco to make a simple request – reduce his credit limit. He received poor communication – including saying this could be done when it couldn't, lack of explanation about not being able to email, and a letter which included incorrect information. There was also excessive background noise when he called. All of this is disappointing, as it shouldn't be this hard to do something this simple.

For these issues Tesco awarded Mr H £100 and paid this into his account. Although I don't doubt the experience was frustrating for Mr H, I'm satisfied this is a fair and reasonable outcome on his case. I do understand Mr H thinks more is due, but in order to award that, we'd need to fully understand the impact on him. This has been explained to Mr H, and he disagrees he needs to provide more information about the impact, which is of course absolutely his right. So, in the absence of further evidence, I remain satisfied £100 is fair.

My final decision

For the reasons I've explained above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 8 March 2024.

Jon Pearce
Ombudsman