

The complaint

In summary, Mr T complains that Tesco Personal Finance Plc reported a late payment on his credit card account, to credit reference agencies. This has appeared on his credit file which he thinks is unfair, because he says the payment was made late due to a mistake on his part.

What happened

Mr T has a credit card with Tesco. Payments for that account were made by direct debit (DD). In January 2024, the DD was removed, and the next payment was due in February 2024. As the DD had been removed, payment couldn't be taken. Tesco wrote to Mr T and informed him that a late payment fee had been added to his account. The missed payment amount and the late payment fee were shown on Mr T's February statement.

Mr T contacted Tesco at the beginning of March 2024 and explained that the late payment was an oversight on his part. The DD was set back up and the arrears cleared. Tesco agreed to waive the late payment fee as a gesture of good will.

When Mr T checked his credit file, he saw that a late payment marker had been added to his credit file. He asked Tesco to remove this as it had been an unintentional and genuine mistake on his part.

Tesco explained in its response to Mr T's complaint, that it was required to provide true and accurate information to credit reference agencies (CRAs). The late payment fee had been refunded as a gesture of good will, but it explained it wasn't able to agree to his request to remove the late payment marker, as the late payment had been reported correctly.

Mr T referred his complaint to this service, and he explained the impact on him of what had happened and Tesco's refusal to agree to his request. His concerns were looked into by one of our investigators. They explained why they didn't think Tesco had done anything wrong. As no agreement could be reached the case has been referred to me for review.

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've decided not to uphold Mr T's complaint. I'll explain why.

I do understand and empathise that Mr T was going through a stressful time when the payment was missed. And I acknowledge the impact on him of the missed payment having been recorded on his credit file. Although I accept what Mr T has said about the payment being missed due to a mistake on his part, I need to consider whether in notifying the CRAs of the missed payment and not agreeing to Mr T's request, Tesco has done anything wrong.

I don't think it has. I say this because it's essential that credit files reflect an accurate record of an individual's financial history. That's because lenders are likely to rely on the information recorded on an individual's credit file as part of their lending decision making process. So, if Tesco was to agree to Mr T's request, his credit file wouldn't be an accurate reflection of his credit history. And that could impact lenders decisions to provide him with credit in the future.

I think it was appropriate for Tesco to have refunded the late payment fee as a gesture of good will, as this appears to have been a one off missed payment. But, for the reasons I have explained, I don't think Tesco has done anything wrong in not agreeing to Mr T's request to amend his credit file.

My final decision

For the reasons I've set out above, my decision is not to uphold Mr T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 26 July 2024.

Simon Dibble
Ombudsman