

The complaint

Mr C complains about his credit card from Tesco Personal Finance PLC trading as Tesco Bank (Tesco).

What happened

Mr C has a credit card from Tesco. He is a vulnerable customer.

On the statement dated July 2023, the limit was £350 and the balance was £272.94. No payments had been received since November 2022 (when a payment of £28.04 was made). When the next payment (due by 31 December 2022) wasn't received, Tesco blocked the card. So Mr C couldn't use it from that time.

Tesco defaulted the account in September 2023 and advised credit reference agencies.

Mr C's complaints:

Our service issued a final decision on 11 August 2023 which didn't uphold several complaints that Mr C had. But the decision stated that Mr C had then brought forward a number of new complaints which we looked into: These were:

1. Mr C asked when the credit card was blocked – so he can reconcile his January 2023 statement.
2. He wants to know how the balance of (then) £247.94 had accrued.
3. He asks whether Tesco will reinstate the card if he pays the balance off.
4. He complains about the lack of a response from Tesco since August 2023.

Tesco's responses:

Tesco showed us they'd issued two final responses which covered these points.

On 24 January 2023, Tesco said in a final response:

- Mr C's card was blocked on 31 December 2022 after the account fell into arrears. The minimum payment of £10 due by that date wasn't received.
- In a conversation instore on 17 January 2023, Mr C was advised the block would be lifted if he made the outstanding payment. But unfortunately, he didn't do that and so the block remained on.
- Tesco wrote to Mr C on 23 January 2023 to confirm no payment had been received. And asked him to contact them to make payment.
- Tesco sent Mr C copies of the statements dated December 2022 and January 2023 – so he could see his balance and how it was made up.

On 23 August 2023, Tesco sent another final response which said:

- The bank attached copies of Mr C's statements for the previous 12 months.
- The balance was confirmed as £272.94.
- Tesco apologised that Mr C hadn't been called back after he contacted them on 7 August 2023, and for that paid compensation of £25.
- But as there had been no credits paid into the account for so long, the account was due to default and be closed.
- Tesco allowed Mr C 30 days to discuss his situation with their Financial Assistance Team (FAT) – to discuss a possible repayment plan. Tesco gave the number of the FAT.
- But if he didn't do that, the account would go into default, and that would be marked on Mr C's credit file, which would remain in place for six years.

Our investigation so far:

Mr C brought his complaints to us and asked us to look into them. Our investigator agreed that Tesco had dealt with the first three complaint points satisfactorily. But she went on to say that Tesco had ignored Mr C's requests for information and that wasn't fair. So, she said he should receive compensation of £300.

Tesco didn't agree and asked that an ombudsman look at this complaint, and so it has come to me to do that.

I made a provisional decision which didn't uphold Mr C's complaint – it said:

On the first three complaint points, I am satisfied that Tesco dealt with these effectively:

Date of credit card block: Tesco told Mr C this was 31 December 2022 - in their final response dated 24 January 2023.

How balance of £247.94 (later £272.94) was made up: Tesco sent him statements for the previous 12 months with their final response dated 23 August 2023. It was then for Mr C to work out how the balance arose by looking at the statements – it's not reasonable to expect Tesco to advise him or provide any more information than they already had.

Reinstatement of the card if Mr C pays off the balance: In their final response dated 24 January 2023, Tesco said Mr C had been advised in store that this was possible if he paid in – but he didn't and so the block remained. I consider this was a reasonable thing for Tesco to say.

And as Mr C didn't pay in and the account was then defaulted in September 2023, I don't think it's reasonable to expect Tesco to consider reinstating the card again.

Lack of response from Tesco to Mr C's questions: I've reviewed the emails that Mr C has sent to Tesco and copied to us – there are more than 30. I consider these are:

- Repeating the same complaint points that he put to Tesco. And Tesco had responded to these in their final responses dated 24 January 2023 and 23 August 2023.

- And – these were being looked at by our service, and so Tesco didn't have to respond to them. This is normal for a firm – as the complaints were no longer within their control or responsibility after their referral to us.
- I looked at many of the other emails Mr C sent to Tesco – and they are questions about (for example): cannot understand statement; send me a statement; please accept incoming texts; need help to reconcile statement balance; why card declined; please return my call.
- Tesco have reasonably said that their email service isn't designed for this purpose – and that the bank has said to Mr C many times that he must call the Financial Assistance Team (FAT) number for such help – where they have trained advisors who can help him.
- Mr C told us he hasn't contacted the FAT team, and Tesco advised us he hadn't either. Tesco said the FAT team had called Mr C but nothing progressed.
- Tesco also stated in their two final responses that Mr C needed to contact the FAT team. So, that was clear.

So, for these reasons, I consider Tesco have acted reasonably and I don't agree that a payment of compensation is fair or reasonable in the overall circumstances of this case.

I can see that Mr C has become frustrated by his relationship with Tesco, and so I can appreciate he will be disappointed by my provisional decision to not uphold his complaint.

But in summary, I do think the bank have tried to deal with Mr C's complaints effectively and to manage his account in a reasonable way.

I strongly advise Mr C to call Tesco's Financial Assistance Team to discuss his account and try to come to a mutually satisfactory arrangement to repay his debt, and to agree a way forward.

Responses to the provisional decision:

Tesco agreed, but Mr C didn't, and he made the following comments which said (in summary):

- He said I hadn't included all of the information he submitted.
- He repeated his view that Tesco failed to respond to his emails, despite reminders.

I now need to review this and make a final decision. **(continued)**

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 reviewed Mr C's complaint again and the further emails he sent to us.

- I based my provisional decision after reviewing all the information Mr C put to us, and

the information Tesco provided. I am satisfied that I made my provisional decision based on all of it and in the overall circumstances of the complaint.

- Our service can quote and rely on what we consider to be the important and relevant evidence, and not show all of it.
- Mr C's points about the lack of a response by Tesco to his emails – I'm satisfied I considered that and explained my reasoning in the provisional decision So – I don't consider it is new information that I need to take into account again.

I'm sorry to disappoint Mr C, but for these reasons my final decision is unchanged from the provisional decision.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 6 August 2024.

Martin Lord
Ombudsman