

## **The complaint**

Mrs B complains that Tesco Personal Finance PLC trading as Tesco Bank sent her a notice of sums in arrears (NOSIA) letter when she wasn't in arrears on her account, and they provided her with poor customer service.

## **What happened**

Mrs B says that she always makes a payment to her Tesco credit card account as soon as her statement is generated, but she was shocked and distressed to receive a NOSIA letter from Tesco. Mrs B says she rung Tesco but the call handler she spoke to was rude and dismissive, and she transferred her to another department who were as equally unhelpful. Mrs B made a complaint to Tesco.

Tesco upheld Mrs B's complaint and they offered her £50 compensation. They said Mrs B's statement date is the 3<sup>rd</sup> of the month, but they don't generate statements on a weekend, so if a statement is due on a Saturday or Sunday, they will print this on a Friday at 23:59pm, and send her a notification to view the statement on a Saturday morning. They said they expect to receive a payment between the day after the statement period (the 4<sup>th</sup> of the month) and the payment due date. Tesco said they received a payment from Mrs B on 4 February 2024, but this payment was made by Mrs B on 3 February 2024. Mrs B brought her complaint to our service.

Tesco told our investigator that their final response letter contained incorrect information, and they didn't believe the compensation they offered Mrs B originally reflected the impact of what happened, so they offered a total of £125 compensation. They said Mrs B made a payment of £100 on 3 February 2024, and this payment was received by them on 5 February 2024. As this fell over the weekend and their system can't produce a statement during weekends, her statement was produced at 23.59pm on 2 February, which would have been available to view on 3 February.

Tesco said that Mrs B made a payment of £87.77 on 3 March 2024, and this payment was received by them on 4 March. As this fell over the weekend again, the statement produced at 23.59pm on 1 March. They said that as this was the second month in a row where the system picked up the payment was made on the statement date of the third of the month, the system issued a NOSIA. Tesco said their system should have realised that as the payments cleared within the statement period, then no NOSIA was required.

Our investigator said that the offer of £125 compensation was fair based on what happened. Mrs B asked for an ombudsman to review her complaint. She said she shouldn't have been sent a NOSIA, and even Tesco accept this. She said she isn't reassured that this won't happen again, or that this isn't happening to other consumers, so she wanted clarity on this.

## **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'd like to explain to Mrs B that it is not within this service's remit to tell a business how they should run their policies and procedures, such as their system processes for generating statements if the normal statement date falls on a weekend. It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct Tesco to make changes to their policies and procedures, if necessary.

I've considered what Mrs B has said about her not being reassured this won't happen again, or that it won't happen to other consumers. I'm unable to consider other consumers as part of this complaint, as Mrs B is the sole eligible complainant here. If other consumers have been affected, then they would also have the right to make a complaint to Tesco, and they may be able to bring their complaint to our service if they are unhappy with Tesco's response.

While I can't tell Mrs B that this won't happen again as mistakes can occur, I'd like to think that Tesco would ensure that controls are in place to prevent this happening again, especially as they have acknowledged the NOSIA shouldn't have been sent. If this does happen again though, Mrs B would be able to make a further complaint to Tesco, who should consider the impact this issue is having on her, and if she is not satisfied with their response, then she may be able to bring the new complaint to our service.

The issue occurred as Mrs B's statement was produced earlier than the normal date of the third of the month due to Tesco not issuing statements on a weekend. I've reviewed the credit card statements that Mrs B has sent our service. I can see that the date of these statements are sometimes after they would have been produced. For example, 3 March 2024 was a Sunday, so based on Tesco's policy of producing a statement at 23:59pm on the day before a weekend (Friday), the statement would be produced on 1 March at 23:59pm. My understanding is that Mrs B would receive a notification on Saturday to inform her that her statement can be viewed. But her statement is showing as being dated 3 March 2024, which was after the date she could view a statement.

As Tesco received Mrs B's repayments in the relevant statement periods, she shouldn't have been sent a NOSIA. This is because she wasn't in arrears. Mrs B's statements show she is very prompt with her repayments, so it would have been distressing for her to receive a NOSIA when she wasn't in arrears. She was inconvenienced by having to ring Tesco to discuss this, and it appears the service she received when she called Tesco was not up to standard as Mrs B felt the call handler was rude and dismissive. Tesco have acknowledged the service failings to our service, and they've asked us to pass on their apologies to Mrs B.

Tesco have sent our service evidence that they haven't reported any adverse information about Mrs B's account to the Credit Reference Agencies. So I hope this gives her some comfort.

I've considered what would be a fair outcome for this complaint. Tesco have offered a total of £125 compensation for what happened here. They caused Mrs B distress by sending her a NOSIA which they now acknowledge they shouldn't have sent her, and they provided poor customer service when she rung them about this. They also acknowledge there was incorrect information in the final response they gave Mrs B.

The compensation Tesco have suggested is in line with our awards for what happened here. So I'm persuaded that this acknowledges Mrs B was impacted by Tesco's actions through no fault of her own, and I'm persuaded the compensation is fair. So it follows I'll be asking Tesco to put things right for Mrs B.

### **Putting things right**

Tesco have suggested that they pay Mrs B a total of £125 compensation for distress and inconvenience, which I think is reasonable in the circumstances.

### **My final decision**

I uphold this complaint. Tesco Personal Finance PLC trading as Tesco Bank should pay Mrs B a total of £125 compensation (less anything they have already paid her) for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 1 October 2024.

Gregory Sloanes  
**Ombudsman**