

## **The complaint**

Mr B complains that Tesco Personal Finance PLC is seeking to hold him liable for an outstanding credit card debt. He says his former partner opened the credit card account in his name and without his knowledge and that he shouldn't therefore be held responsible for the outstanding debt of more than £8,000.

## **What happened**

In December 2013 an application was made to Tesco for a credit card in Mr B's name. The application was approved, and a balance transfer of £1,900 was made from a credit card he held with another card issuer.

Monthly payments were made to the account; sometimes these were late and late payment fees were added, accompanied by letters addressed to Mr B. The card appears to have been used for occasional purchases of less than £100. It was also used to pay some utility bills and, it would appear, payments to holiday companies in 2015 and 2016. There were also some payments to a joint account in the name of Mr B and his then partner.

By about April 2017 it appears that payments to the account had ceased, and in June 2017 Tesco issued a default notice, seeking repayment from Mr B of just over £8,000.

Mr B says he separated from his partner in October 2017 and that he found out about the credit card in his name at about the same time. He contacted Tesco about it in or about September the following year, when he started receiving correspondence from debt collectors.

Mr B says that his then partner used his details to apply for the credit card. He didn't know she'd done that until some time later. He didn't use it and his partner took care of all their finances. He believes she hid correspondence from him so that he didn't find out about the card she'd taken out in his name.

Tesco didn't accept that Mr B knew nothing about the credit card account. It said that it had sent over 30 letters to his home address, so even if monthly statements went to his former partner's email address (as he said), he would still have found out about it. It also noted that it appeared that Mr B had had some benefit from the card, initially because of the balance transfer but also because of the way it had been used later. There had been transfers to the joint account he held with his then partner, as well as spending on holidays and utilities - which would have benefited him and his partner.

Mr B referred the case to this service and one of our investigators considered it. She thought it was plausible that Mr B didn't know about the credit card account or the joint account with another bank and so was unaware that there was a debt in his name. She recommended

that Tesco write off the debt and amend Mr B's credit report, as well as paying him a further £100.

Tesco didn't accept the investigator's recommendations and asked that an ombudsman review the case. I did that and, because I was minded to reach a different conclusion from the investigator, issued a provisional decision.

I said in my provisional decision that I accepted that Mr B left financial matters to his partner and that he probably didn't apply for the credit card himself. I didn't however accept that he knew nothing about the card until shortly before he contacted Tesco; even his own evidence was that he'd known about it for nearly a year. I said that it was a general principle that a person who finds out about unauthorised account activity in their name should tell the bank concerned without delay.

In response to that point, Mr B said that he believed that this was a debt his wife had transferred from another provider. He didn't realise it was a separate debt owed to Tesco.

I noted too that Mr B must have realised when the card was first taken out that debt had been transferred from another card provider. He said he wasn't aware of that.

I observed too that Mr B's partner hadn't used the card in a way that suggested she was trying to hide her activities. For example, there were payments to their joint account, and it had been used to a large extent for their joint benefit.

I also said that I thought it unlikely that Mr B had received none of the 30 or more letters that Tesco had addressed to him at his own address.

In the circumstances I concluded, provisionally, that it wouldn't be fair to require Tesco to write off the debt. Mr B made further submissions, which I'll discuss further below.

### **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'm afraid I don't accept that Mr B knew nothing about the debt to Tesco until September 2018. His own evidence is that he found out nearly a year earlier about a Tesco credit card in his name. He says that he thought the debt to Tesco had been transferred from another card. But the point is not how the debt arose; it's who it was owed to. Once he knew that Tesco was pursuing him for a debt - whether that was because it had been transferred from somewhere else or for some other reason - Mr B should have got in touch if he wanted to dispute it. He didn't do so for nearly a year. As I indicated in my provisional decision, I think that's an indication that he was aware of the account or was prepared to try to sort things out without involving Tesco.

Mr B says he didn't know about activity on the joint account he held with his partner. That may or may not be the case, but the point I was making in my provisional decision was that she didn't appear to feel the need to hide her activities particularly effectively. She may have used her own email address and phone number, but Mr B could still have checked the joint account and seen evidence of the Tesco credit card there. That indicates that his partner may have had some level of agreement from him.

Mr B says too that he didn't know that the spending was to his benefit. He thought a different account had been used to pay for holidays and household expenses. Again, that may be the

case, but I don't believe it would be fair for me to require Tesco to refund spending of which Mr B has had the benefit.

### **My final decision**

For these reasons my final decision is that I don't require Tesco Personal Finance PLC to do anything more to resolve Mr B's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 10 August 2020.

Mike Ingram  
**Ombudsman**