

## **The complaint**

Mrs W complains about errors by Tesco Personal Finance PLC when she closed her credit card.

## **What happened**

Mrs W had a credit card with Tesco. In April 2022 Mrs W made a payment of £200 towards the outstanding balance and in May 2022 she made a final payment of £172.38. The credit card was closed but as interest of £2.81 had accrued. Tesco's advised it made a mistake and failed to send Mrs W a closing statement so she was unaware of the outstanding payment.

Mrs W has told us she received arrears letters from Tesco in July 2022. Mrs W complained and Tesco sent her a final response explaining a mistake had been made. Tesco said it had arranged for the £2.81 owing to be refunded and paid Mrs W £25 for the distress and inconvenience caused. Tesco also confirmed the issue wouldn't impact Mrs W's credit file.

In September 2022 Mrs W received further arrears correspondence from Tesco. Mrs W has explained that at this point the account incorrectly appeared to be three months behind and was concerned about the effect on her credit file.

Mrs W complained again and Tesco has advised that the refund of interest promised in its previous final response hadn't been processed. Tesco arranged for the refund to be applied and again confirmed there would be no impact to Mrs W's credit file. Tesco also paid Mrs W a further £25 to apologise for the distress and inconvenience caused.

An investigator at this service looked at Mrs W's complaint. They asked Tesco to increase the compensation to £100 in respect of the distress and inconvenience caused. Whilst Mrs W was willing to accept, Tesco didn't agree so the complaint has been passed to me to make a decision.

## **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 aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

As all parties broadly agree about the circumstances of Mrs W's complaint I've focused on the impact to her and whether the compensation recommended by the investigator is fair. Mrs W's told us she thought her account had been closed and all funds owing repaid. Tesco

has confirmed it didn't send a final statement to Mrs W so she was unaware of the outstanding interest. I can understand why Mrs W was upset at receiving an arrears letter from Tesco and concerned about the potential impact to her credit file.

Mrs W raised the issue with Tesco and was assured it had been resolved. But despite the information provided in Tesco's final response letter, Mrs W continued to receive arrears warnings from Tesco. I'm pleased that once Mrs W brought the issue up with Tesco again it was able to resolve the problem. And I've seen evidence from Mrs W's credit file that the account is now closed and no arrears were recorded. But I'm not persuaded that the £50 compensation Tesco paid across both instances fairly reflects what happened and the inconvenience caused to Mrs W.

I've considered the investigator's recommendation and note Mrs W has told us she agrees the modest increase in compensation is a fair way to resolve her case. In my view, £100 more fairly reflects what happened and the level of distress and inconvenience caused to Mrs W. To put it another way, £100 is very much in line with what I would've told Tesco to pay, had no settlement been recommended already. So I'm going to proceed on that basis and uphold Mrs W's complaint.

### **My final decision**

My decision is that I uphold Mrs W's complaint and direct Tesco Personal Finance PLC to pay her a total of £100 (less compensation already paid).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 16 June 2023.

Marco Manente  
**Ombudsman**