

The complaint

Mr K complains that Tesco Personal Finance plc, trading as Tesco Bank, unfairly reduced his credit limit. He would like his previous credit limit reinstated

What happened

The details of this complaint are well known to both parties so I won't repeat them again here. Instead, I will focus on giving the reasons for my 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.

Having done so I have reached the following conclusions:-

- I appreciate Mr K's frustration. He says Tesco Bank, without notice, drastically reduced the credit limit on his credit card. He sees no reason for this given as he says he has always been up to date with payments and recently made a large payment to significantly reduce his balance
- I have seen Tesco Bank's terms and conditions. These do allow it to review and change credit limits. The conditions don't state that Tesco Bank must give notice of any such change. Tesco Bank has explained it doesn't give notice of such changes as it has to ensure it sets an appropriate limit as soon as possible. I think Tesco Bank has appropriately followed its own terms and conditions.
- Tesco Bank has also explained that it regularly reviews accounts to ensure credit limits are suitable for consumers as it needs to act responsibly as a lender. In reviewing accounts, it considers various factors such as payment history, how the card is used and the amount of credit in use along with information from Credit Reference Agencies (CRA's). Whilst I appreciate the frustration for Mr G ultimately Tesco Bank's lending criteria is commercially sensitive and not something it is obliged to share. Neither is it something we can override so we wouldn't be able to tell Tesco Bank to restore Mr G's previous credit limit as Mr G would like.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 23 April 2024.

Bridget Makins
Ombudsman