

The complaint

Mr M complains that Tesco Personal Finance PLC trading as Tesco Bank failed to close his account when he requested this. He says that this has impacted on his credit file.

What happened

Mr M held a credit card account with Tesco Bank. On 15 October 2020 Mr M sent an email to Tesco Bank requesting to close the account.

Tesco Bank didn't close the account. It has told this service that this would have been because there was no identifiable information contained in Mr M's email.

In December 2021 Mr M started using the account again. He made some repayments towards the account but missed his minimum payment due by 20 May 2022. A late payment fee of £12 was applied to the account.

Mr M complained to Tesco Bank. He said that if the account had been closed when he requested this, he wouldn't have had the adverse information reported on his credit file.

Tesco Bank didn't uphold the complaint. It said the late payment fee had been correctly applied and that it was obliged to report accurate information to the credit reference agencies.

Mr M remained unhappy and brought his complaint to this service.

Our investigator didn't uphold the complaint. He said he didn't think Tesco Bank had made an error by not closing Mr M's credit card account, and that the later impact on Mr M's credit file wasn't due to any errors by Tesco Bank either.

Mr M didn't agree. He said he thought Tesco Bank should've replied to his request to close the account and asked for any further information it required. He said that the bank held his email address and could've looked up his account details using that.

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've looked at the email dated 15 October 2020 which Mr M sent to Tesco Bank. It states "*Hi, I would like to close my account as soon as possible, Thanks, (Mr M's first name)*".

I've also looked at Mr M's account at the time that he sent the request to close the account. The balance was zero.

I've gone on to think about whether there was enough information in the email for Tesco Bank to action the request. Firstly though, I'll comment on the email address which Mr M used to contact Tesco Bank, as this is something that Mr M has referred to in his complaint to this service. Tesco has said that the mailbox used by Mr M was a customer relations

mailbox which was in use at the time of Mr M's email, but which was removed in December 2020. Tesco has said that Mr M should have received an automated response confirming receipt of his email and asking him to ensure that he had provided enough information to identify him.

Tesco has said that the mailbox has been out of use since December 2020 so there's no way of obtaining a copy of the email receipt it would've sent to Mr M.

I can't be certain of whether Mr M received an email receipt from Tesco Bank. That said, Mr M's email doesn't appear, on the face of it, to contain sufficient information to identify his account, and although Mr M has said that he intended to wait for Tesco Bank to respond, I think Mr M could have included more information in his email.

Further, if it was the case that Mr M was waiting for Tesco Bank to respond to his email, I would've expected him to follow up his request for closure of the account after a reasonable period had passed. I can't see that Mr M did this, and I haven't seen that any communication was sent to Mr M advising him that the account had been closed. So, regardless of his request to close the account, I think Mr M ought reasonably to have known that it hadn't been closed.

I've gone on to consider whether Tesco Bank made any errors when it reported the missed payment on Mr M's credit file. I've reviewed the account and I can see that Mr M started using the credit card again in December 2021. I can also see that monthly statements were sent to Mr M and that he made repayments to the account. So, it's reasonable to conclude that Mr M was aware that the account was open, that he was using it, and that he was obliged to make repayments to it.

The account shows that as of 25 April 2023, Mr M had an account balance of £216.39 with a minimum payment of £25.00 due by 20 May 2023. Mr M didn't make this payment and a late payment fee was applied. Based on what I've seen, I'm satisfied that Tesco Bank didn't make any errors when it applied the late payment fee, because the minimum payment wasn't made by the due date on the statement.

I appreciate that the late payment has impacted Mr M's credit file. However, I'm unable to say that Tesco Bank has made an error by reporting the missed payment. All lenders are under an obligation to provide accurate information to the credit reference agencies about the state of a customer's account. This service is only able to require a lender to remove adverse information from a credit file if there has been an error. In this case, I'm not persuaded that Tesco Bank has made an error.

For the reasons I've explained above, I'm unable to uphold this complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 16 April 2024.

Emma Davy
Ombudsman