

## The complaint

Miss R complains that Tesco Personal Finance PLC trading as Tesco Bank hasn't offered her any support with her finances. She says she's struggling to deal with her finances herself having suffered a relationship breakdown and mental health issues, which she's made Tesco aware of. Miss R says she has paid the balance on her account back in interest and wants Tesco to write off the debt so that she can begin to rebuild her life.

## What happened

Miss R holds a credit card account with Tesco. She experienced a change in her financial and personal circumstances and contacted Tesco to ask for help.

Miss R says she didn't receive any help from Tesco. She raised a complaint in or around September 2022, in which she said that the interest she was being charged made up more than half of what she was repaying each month. Miss R said her financial circumstances were unlikely to improve and asked Tesco to write off the balance. She also asked Tesco to provide a copy of her credit card agreement along with details of how much interest she'd been charged since the account was opened.

Tesco didn't uphold the complaint. In its final response dated 14 September 2022, it said that interest had been applied in line with the terms and conditions of the account. It said it could consider Miss R's request for the balance to be written off but that before it could do this, her account would need to be defaulted and terminated, which could impact her credit file for up to 6 years. Tesco said that if Miss R wanted them to consider a write off she would need to provide an up to date household budget form, details of her creditors and details of her home and assets. Tesco said that since the account was opened in August 2017, Miss R had been charged £1,426.99 in interest. It enclosed a copy of the credit agreement.

Miss R remained unhappy. She contacted this service on the same day (14 September 2022) but this service asked her some questions and when she didn't respond the case was closed. Miss R brought her complaint to this service again on 26 March 2024.

**This decision is in relation to Miss R's complaint dated 14 September 2022. An Ombudsman has decided that Miss R referred this complaint to this service in time, but that due to an oversight by this service the complaint wasn't raised with Tesco at the time.**

Our investigator looked into Miss R's complaint dated 14 September 2022. He didn't uphold the complaint. He said he hadn't seen anything to suggest that interest wasn't being charged correctly in accordance with the terms and conditions of the account. The investigator said that Tesco had acted fairly by explaining to Miss R what further support would be available.

Miss R didn't agree so I've been asked to review the complaint.

## 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.

Miss R raised four main issues in her complaint to Tesco in September 2022. She was unhappy about the interest she was being charged, she wanted the balance written off, she was experiencing financial difficulties and she wanted a copy of her credit agreement and confirmation of the total interest she'd been charged since the account as opened.

I've reviewed the terms and conditions of the account and the account history. Based on what I've seen, interest has been charged in accordance with the terms and conditions of the account. I haven't seen anything to suggest that Tesco has made an error in the interest which has been charged.

The history of the account shows that Miss R didn't clear the balance each month. So, interest accrued on the balance (taking into account any debits and credits). I can see that the account was in persistent debt. This means that Miss R was making minimum payments to the account but wasn't making progress in paying it off. This was because the minimum payment was less than the added interest. I can see that (in connection with a separate complaint by Miss R) Tesco signposted her to its Financial Assist Team to discuss the available options for account in persistent debt.

I can see that Tesco provided Miss R with a copy of her credit agreement and confirmed to her that a total of £1,426.99 interest had been charged since she opened the account. I'm satisfied that Tesco has done enough to address those two aspects of Miss R's complaint.

This leaves Miss R's request to write off the debt because of her financial circumstances. Tesco explained to Miss R that it could consider doing this but warned her about the impact on her credit file. It set out clearly what Miss R needed to do if she wanted to proceed with a request to write off the balance.

At the time when Miss R requested the write off her account wasn't in arrears. So, I think Tesco acted reasonably by making Miss R aware of the impact that defaulting and terminating the account in order to consider a write off could have on her credit file. I also think Tesco acted reasonably by suggesting that Miss R contacted someone for independent financial advice before she made any decisions.

I can see that Miss R paid the balance in full on 2 October 2022. So, it looks as if she decided not to proceed with a request to write off the balance.

I can see that Miss R has used the account since then. If she is still experiencing financial difficulties then it's open to her to contact the Financial Assist Team, who will explain the available options.

Taking everything into account, I'm unable to say that Tesco has made an error or treated Miss R unfairly or unreasonably. I won't be asking them to do anything further.

### **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 Miss R to accept or reject my decision before 19 September 2024.

Emma Davy  
**Ombudsman**