

The complaint

Mrs H complains that Tesco Personal Finance plc, trading as Tesco Bank, has recorded a late payment on her credit file and that it gave her incorrect information.

What happened

Mrs H took a loan of £35,000 from Tesco Bank in March 2023. She agreed to repay the loan by monthly payments of £1,080.26. She didn't make the payment that was due in December 2023 by the due date so Tesco Bank recorded a late payment on her credit file. She says that she phoned Tesco Bank after she received notifications that the payment hadn't been made and was advised that she didn't need to do anything as the direct debit would be re-presented automatically within 14 days of the date the payment was due and, provided that the payment was made then, the payment wouldn't be regarded as being late.

She complained to Tesco Bank but it said that, as her December 2023 loan repayment wasn't made until January 2024, it was reported as a late payment. It said that as no Tesco Bank errors had occurred, it was unable to amend Mrs H's credit file and didn't uphold her complaint. Mrs H wasn't satisfied with its response so complained to this service.

Her complaint was looked at by one of this service's investigators who, having considered everything, didn't think that it should be upheld. She said that she'd seen no evidence that the failed direct debit was caused by Tesco Bank so she thought that it was reasonable for Tesco Bank to report that the payment was late.

Mrs H didn't agree with the investigator's recommendation and asked for her complaint to be considered by an ombudsman. She accepts that the payment due in December 2023 was late but says that she called Tesco Bank when she was alerted to the fact that the direct debit hadn't been paid and was told that a late payment marker wouldn't be added to her credit file providing that the payment was made when the direct debit was re-presented.

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.

Tesco Bank is required to report true and accurate information about Mrs H's loan payment history to the credit reference agencies. Mrs H accepts that the loan repayment that was due in December 2023 wasn't made by the payment due date and was late. As that payment was made late, I consider that Tesco Bank acted correctly by recording a late payment on Mrs H's credit file.

Mrs H says that she called Tesco Bank when she was alerted to the fact that the direct debit hadn't been paid and was advised that she didn't need to do anything as the direct debit would be re-presented automatically within 14 days of the date the payment was due and, provided that the payment was made then, the payment wouldn't be regarded as being late.

The direct debit was represented in January 2024 and the payment was made then so

Tesco Bank was correct to say that Mrs H didn't need to do anything. Tesco Bank says that there's no record of any agent accessing Mrs H's account during that period and that it's searched for Mrs H's call in its telephony systems but has been unable to locate any call received from her around this time.

But even if Tesco Bank had given Mrs H incorrect information and told her that the payment wouldn't be regarded as being late (and I make no finding as to whether or not it did so), the payment was already late at that time and there would be nothing that Mrs H could do to stop the payment being late.

I appreciate that this will be disappointing for Mrs H, but I find that it wouldn't be fair or reasonable in these circumstances for me to require Tesco Bank to remove the late payment that it's recorded on her credit file, to pay her any compensation or to take any other action in response to her complaint.

My final decision

My decision is that I don't uphold Mrs H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 4 November 2024.

Jarrold Hastings
Ombudsman