

The complaint

Mr C says Tesco Personal Finance PLC, trading as Tesco Bank, were unreasonable to default his account.

What happened

Mr C says he didn't receive the default notice that Tesco Bank posted to him in August 2024. He says Tesco should have sent the notice by recorded delivery and that they were unfair to subsequently default his account.

Tesco didn't agree as they explained they'd sent the notice to the correct address and one that Mr C had previously received mail at. Our investigator agreed with Tesco, but Mr C didn't. He said Tesco had a duty to send such letters by recorded delivery and that when he was eventually made aware of the default, Tesco should have given him 30 days to make a payment. Mr C asked for a final decision by an ombudsman.

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.

While default notices need to be sent by post, there is no obligation for businesses to send them by recorded mail.

Tesco sent the default notice to the address they had for Mr C and the address that they had sent previous correspondence to. It seems likely that Mr C had received that previous correspondence as none of it had ever been returned to Tesco Bank and Mr C had called them in response to some of it.

It wouldn't be fair to hold Tesco Bank accountable for any failing of the postal service.

I think Mr C would have been aware that his account was likely to be defaulted. I say that because there had been previous default notices issued and the account was in significant arrears at the time. It seems to me, that the default was inevitable given the sustained arrears. So, even if Mr C hadn't received the August 2024 default notice I think it would have been likely that Tesco Bank would have been defaulted.

Overall, I haven't seen sufficient evidence that Tesco Bank have done anything wrong here. I'm not asking them to take any action.

My final decision

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 12 December 2024.

Phillip McMahon
Ombudsman