

The complaint

Mr G complains that Tesco Personal Finance PLC applied a late payment marker to his credit file.

What happened

Mr G says he missed a payment on his credit card account due to incorrect information he received from Tesco.

Tesco says that Mr G failed to make the minimum payment required on his March 2024 statement. It says £280 was due by 20 April, but it only received £33.41 from Mr G on 27 March 2024 and so it applied a late payment fee. Tesco says that when Mr G queried this, the late payment fee was refunded as a gesture of goodwill, and he was told the arrears of £246.59 was to be paid as soon as possible. Mr G was also told that a further £280 was due on 21 May 2024. Tesco re-set up the direct debit and advised this would collect the June payment, but not the one due in May. It says that, although Mr G paid the arrears, the £280 wasn't received by 21 May 2024 so a further late payment fee was charged, and the missed payment was reported on his credit file.

Tesco acknowledged that Mr G was given incorrect information when he called on 1 June 2024 and credited him with £40 for this.

Our investigator did not recommend the complaint should be upheld. He did not find that Tesco had made an error when it reported the missed payment to the credit reference agencies.

Mr G responded to say, in summary, that Tesco cancelled the direct debit and he believed that, once it was re-established, it would be active in time for the May payment. He says poor and incorrect communication led to the missed payment.

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 seen evidence to show that Mr G cancelled his direct debit following a discussion with Tesco earlier in the year where he explained he couldn't afford to pay the full balance. Although Mr G made a manual payment at the time, he did not set up a direct debit to pay the minimum balance going forwards.

I'm satisfied that this was the reason Mr G failed to make the minimum payment as set out in the March 2024 statement, but I consider that, by refunding the late payment fee and re-setting up the direct debit, Tesco acted fairly in response.

Tesco then explained to Mr G that he would need to ensure the minimum payment was made by 21 May 2024 as the direct debit would not take effect until June. I acknowledge that Mr G says he did not hear that on the call, but I can't conclude Tesco made an error here.

However, I do accept that Mr G was given incorrect information about the status of his account when he called on 1 June 2024. As this was after he'd missed his payment, I can't conclude better communication would have affected his credit file, but I do consider that Tesco acted reasonably by crediting him with £40 for the confusion caused by the mistake.

As Tesco is obliged to report accurate information to the credit reference agency, I do not find it did anything wrong by reporting the late payment as it did. I have no doubt that Mr G did not intend to miss the payment, but I cannot ask Tesco to amend his credit file when it is an accurate reflection of what happened and when I don't find Tesco has made an error.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 8 January 2025.

Amanda Williams
Ombudsman