

## **The complaint**

Ms C complains that Tesco Personal Finance PLC trading as Tesco Bank (Tesco) haven't marked her credit file accurately.

## **What happened**

Ms C had a credit card from Tesco. She went into bankruptcy in May 2020. Her debt to Tesco was £5,756.

She was discharged from bankruptcy in May 2021, and the balance then outstanding on the credit card was written off. Tesco marked Ms C's credit file as 'partial settlement'; and a start date of '05/21'.

Ms C complained. She said Tesco should report it as 'Satisfied' and with an end date of 05/21. This would be consistent with how her other lenders reported to her credit file – she showed that another bank reported 'Satisfied...satisfaction date 22/5/21'. She says this is impacting her credit score – which she is trying hard to rebuild following the end of her bankruptcy.

Tesco said the entries they reported to Ms C's credit file were correct. Tesco went on to say they hadn't dealt with Ms C's letter she sent to the firm in November 2023, apologised for that and paid compensation of £25.

Ms C didn't agree and brought her complaint to us. In a second view, our investigator didn't uphold it. She said Tesco had reported the right information to Ms C's credit file and in line with the Information Commissioner's Office (ICO) guidance.

Ms C didn't agree and asked that an ombudsman look at her complaint, and so it has come to me.

## **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 can see why this is important to Ms C – as she is trying to rebuild her credit score following what must have been a difficult time for her.

The ICO's guidance says:

*"Your record should be closed and marked as partially settled if:*

- *The lender accepts final settlement of the account for less than the balance outstanding*
- *Your account is included in an insolvency such as a bankruptcy or IVA which is discharged / completed and less than the full amount is paid...*

*Once you have been discharged you will have to notify each of the lenders whose*

*accounts were included in this bankruptcy as they will not automatically be told. You should send them the evidence of this and ask them to amend their entry on your credit file to reflect this. The specifics of how it will look vary depending on the CRA but the entries should be marked in such a way that any lender searching your credit file can clearly see that this debt is no longer outstanding and you are not being pursued for it. Most accounts that have been discharged from bankruptcy will show as settled/satisfied or partially settled/satisfied with a zero balance outstanding".*

I looked at Ms C's complaint with this guidance in mind. And I'm satisfied that how Tesco are reporting the information to Ms C's credit file is consistent with the ICO's guidance.

I also considered what the aim of reporting customers' information to credit files is - which is to ensure prospective lenders are shown information with which to make lending decisions. So the information must be accurate and representative.

Ms C's debt to Tesco wasn't paid in full – the balance was written off in her bankruptcy proceedings. So 'partially settled' is accurate – as she only paid off part of the debt, and the start date is also fair. If Ms C's credit report showed 'settled' (the alternative description), that wouldn't be accurate as that suggests she paid off the debt in full - which wasn't the case. And on the credit file she showed us, it shows the debt outstanding as zero – which is also accurate.

I accept the other bank report slightly differently – but I can't challenge that or consider that my decision – I can only make a decision based on what Tesco are doing.

Therefore, while I accept Ms C will be disappointed by my decision, I am not asking Tesco to do anything here.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 15 January 2025.

Martin Lord  
**Ombudsman**