



The complaint

Mr O complains that Tesco Personal Finance Limited, trading as Tesco Bank unfairly closed his credit card account.

What happened

Around August last year, Mr O contacted Tesco Bank for support with his credit card PIN. At this point he was advised by Tesco Bank that his account had been closed. Mr O complained because he wasn't informed beforehand and wasn't provided with an explanation for the closure.

In its response, Tesco Bank advised that it had written to Mr O in February 2024, advising him of its intention to close his account due to inactivity. Tesco Bank said that it couldn't see any issues with the letter being sent to him and that it wouldn't look to reinstate the account.

Remaining unhappy, Mr O asked this service to review his complaint. He says he didn't receive Tesco Bank's letter and feels he's been treated differently to other consumers. Mr O wants Tesco Bank to pay him compensation for its actions.

One of our investigators issued their outcome, explaining that Tesco Bank had acted fairly. Mr O doesn't agree, so the complaint has been passed to me for a final decision.

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.

Having done so, I'm not upholding this complaint – I'll explain why.

It's generally for financial institutions to decide whether they want to provide or continue to provide an account to a particular customer. Each financial institution has its own criteria and risk assessments for deciding whether to open or close accounts, and providing an account to a customer is a commercial decision that a financial institution is entitled to take. Unless there is a very good reason to do so, this service won't usually say that a financial institution must keep a customer or require it to compensate a customer who has had their account closed.

Tesco Bank's terms and conditions say that it can close an account by giving two months' notice or with immediate effect in certain circumstances. Tesco Bank says it wrote to Mr O on 20 February, letting him know that it planned on closing his account. It gave him until 1 May to make contact or carry out one of the specified activities on his account. So Mr O was given over two months' notice in this instance. Tesco Bank says it also wrote to Mr O to confirm his account had been closed.

Tesco Bank says it made this decision because of a lack of activity on Mr O's account. I can see from his statements, that the last activity on the account was a payment in January 2023. So I don't think it's unreasonable that Tesco Bank looked to confirm that the credit

card was one Mr O needed and planned on making use of.

Mr O didn't carry out any of the actions he was instructed of in Tesco Bank's letter. So I'm satisfied that Tesco Bank was acting fairly and reasonably when it decided to close his account.

Mr O says he didn't receive the letter that was sent to him in February. Tesco Bank no longer holds a copy of the letter. But it's provided me with enough evidence for me to be persuaded that it was correctly sent to Mr O. I can't determine why Mr O may not have received the letter, and he hasn't advised us or Tesco Bank of any issues he's experienced with receiving post. So I'm satisfied that Tesco Bank took reasonable steps to advise Mr O of its intention to close his account.

I appreciate that this credit card is one Mr O would've liked to have kept open. My role though is to decide whether Tesco Bank acted fairly in closing the account. Given what I've said, I'm satisfied that it did. So I won't be asking Tesco Bank to do anything.

My final decision

For the reasons explained, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 31 March 2025.

Abdul Ali
Ombudsman