

## **The complaint**

Miss S complains that Tesco Personal Finance Limited trading as Tesco Bank recorded a late payment marker on her credit file.

## **What happened**

Miss S holds a credit card with Tesco.

On 16 August 2024 Miss S made a payment of £1,721.29, which was one day after the payment due date. Because the payment wasn't received on time, Tesco applied a late fee of £12. Interest of £25.39 was applied to the following months statement on 21 August 2024.

On 18 August 2024 Miss S made a payment of £12 for the late payment fee. This meant that £25.39 was due by 15 September 2024. Because no payment was received by this date, Tesco applied a further late payment fee of £12 and interest of £0.48 on 20 September 2024.

On 1 October 2024 Miss S made a payment of £25.39 and the late payment fee was refunded, bringing the account to a nil balance.

Tesco recorded the late payment with the credit reference agencies for September.

Miss S complained to Tesco. She said she'd paid off the balance on the card in full in August and hadn't realised that interest had been added on until she received a letter advising her of the late payment. Miss S said that by the time she received the letter it was too late to pay by the required date but said she had called and paid it immediately. Miss S said she wasn't disputing the interest, but she didn't think it was fair that her credit file had been marked.

Tesco didn't uphold the complaint. In its final response it said that interest and late payment fees had been applied in accordance with the terms and conditions of the account. It said that Miss S was able to view her statements online and via the mobile app and that from a review of her account it could see that she had received a push notification payment due reminder on 12 September 2024. Tesco said it reported to the credit reference agencies once per month and that the information it had reported was representative of how the account had been managed for the previous 30 days. Tesco said it wouldn't amend Miss S's credit file.

Miss S remained unhappy and brought her complaint to this service.

Our investigator didn't uphold the complaint. She said she hadn't seen any evidence to suggest that the interest and charges had been applied incorrectly. She also said she was unable to ask Tesco to remove the marker on Miss S's credit file because there was no evidence that it had been applied in error.

Miss S didn't agree. She said she hadn't received notification that her payment in August was late and she hadn't signed up to payment reminders.

Because Miss S didn't agree I've been asked to review the complaint.

## **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 know it will disappoint Miss S, but I agree with the investigators opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on those points which are most relevant to my decision. If I don't comment on a specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Miss S has told this service that she isn't disputing the interest and charges which were applied to the account. Her complaint is that Tesco didn't tell her that she needed to make a payment until it was too late to avoid the late payment being reported on her credit file. Miss S wants the late payment marker removed from her credit file.

I appreciate that Miss S isn't disputing the interest and charges. However, I agree with the point that the investigator has made, which is that the interest and charges need to be considered as it was the application of interest and charges to the account which led to there being a balance to pay, and it was this balance which wasn't paid on time which led to the late payment marker being applied to Miss S's credit file.

I've looked at the interest and late payment charges to see whether these were correctly applied. In order to avoid interest being added, the account balance from the current and previous statement needs to be paid in full by the payment due date. If the full statement balance isn't paid, or if the payment is received after the payment due date, then interest is charged on all transactions from the date they were made until they are repaid in full.

I've reviewed the account, and I can see that Miss S made a payment of £1,721.29 on 16 August 2024, which was one day later than the payment due date. A late fee of £12 was applied, and interest of £25.39 was applied. Miss S made a payment of £12 on 18 August 2024, which left £25.39 due to be paid by 15 September 2024. No payment was received by this date so a further late fee of £12 was applied.

I can see that Miss S paid £25.39 on 1 October 2024. The late payment fee was refunded, and the balance was then zero.

Based on what I've seen, the interest and late payment fees were correctly applied to the account.

I've gone on to consider whether the late payment marker was reported correctly.

The payment due by 15 September 2024 wasn't made until 1 October 2024. On any analysis the payment was late. Miss S has said that she wasn't aware that a payment was due by 15 September 2024. She says that a letter advising her about the late payment wasn't sent to her until after the payment due date. It was this letter which prompted Miss S to make her payment on 1 October 2024.

I understand the point that Miss S is making. However, the letter dated 20 September 2024 was a notice of arrears. Prior to this (and prior to the payment due date of 15 September 2024) Miss S would've received a notification advising her that her monthly statement was ready to view. Had Miss S viewed her monthly statement, she would've seen that a payment was due by 15 September 2024.

Miss S has said that she didn't receive a notification that a payment was due. Tesco has provided evidence to show that Miss S received push notifications each month via the mobile app which the system shows as successfully delivered. These notifications were a reminder that a payment was due. I can see that Miss S also had access to online banking, from which she could see her statement balance and the next payment due date. Based on what I've seen, I think it's more likely than not that Miss S received the push notifications. But even if she didn't, I'm satisfied that she could access her statements online and see when her next payment was due.

Taking everything into account, I haven't seen any evidence to suggest that the late payment marker was reported in error. In the absence of an error, I'm unable to ask Tesco to remove it, because Tesco – like all lenders – is under an obligation to report accurate information to the credit reference agencies.

### **My final decision**

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 19 March 2025.

Emma Davy  
**Ombudsman**