

The complaint

Mr L complains that Tesco Personal Finance Limited trading as Tesco Bank ('Tesco') unfairly reported a late payment to the Credit Reference Agencies.

Mr L wants the late payment marker removed from his credit file.

What happened

Mr L was incarcerated for a short period and had arranged for his mother to make payments towards his credit card. Unfortunately, due to ill health she was unable to do this and Tesco reported a late payment to the Credit Reference Agencies.

Mr L was able to bring his account up to date quickly and complained to Tesco about the late payment marker showing on his credit file. Unhappy that his complaint wasn't upheld, Mr L referred his complaint to the Financial Ombudsman Service.

Our investigator didn't uphold Mr L's complaint, as although he was sympathetic to Mr L's circumstances, he didn't think Tesco had treated him unfairly.

Mr L asked for an ombudsman to review his complaint. He highlighted his extenuating circumstances and maintained that Tesco's reporting wasn't fair.

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 taken into account any relevant law and regulations, the regulator's rules, guidance and standards, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

I know this won't be what Mr L was hoping to hear but I have decided not to uphold his complaint. I'll explain why I've reached this decision, though my reasons are broadly the same as our investigator's.

The Information Commissioner's Office (ICO) sets out guiding principles for businesses reporting arrears, arrangements and defaults.

The ICO's guidance says *"if you do not make your regular expected payment by the agreed time and/or for the agreed amount according to your terms and conditions, the account may be reported to the CRAs as being in arrears."*

The ICO also says *"data that is reported on your credit file must be fair, accurate, consistent, complete and up to date."*

I have no doubt at all that Mr L's circumstances were extenuating and I can see he tried his best to manage his account during this time. Mr L hadn't re-established his direct debit so

Mr L was reliant on his mother to make the payment on his behalf, which she then couldn't do for reasons outside of everyone's control. Mr L couldn't access his banking or contact Tesco at the time. I sympathise with Mr L's position as this must have been a stressful situation for him and one nobody would like to be in.

I recognise Mr L's strength of feeling that this situation is unfair, and he's disappointed that Tesco won't make an allowance for him given this was an isolated incident.

Given the ICO's guidance, I'd typically only consider requiring Tesco to remove the late payment marker if they'd acted unfairly towards Mr L – for example, by contributing to the circumstances in which the payment was made late - or had made an error. I've considered this matter carefully, but I don't think either has happened here. I think Tesco's reporting of Mr L's late payment is in line with what I'd expect in these circumstances.

I'm sorry to disappoint Mr L but this means I haven't got cause to uphold his complaint and I won't ask Tesco to take any action on this occasion.

I acknowledge Mr L is worried about how Tesco's late payment marker might indicate financial mismanagement to potential lenders. It may help Mr L to know that he can contact each of the main Credit Reference Agencies and apply a notice of correction to his credit file. This is a short statement which Mr L can use to give context to an entry on his credit file – like this late payment marker – which will be provided to any potential lenders checking his credit file in future.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 30 April 2025.

Clare Burgess-Cade
Ombudsman