

The complaint

Mr F is unhappy that Barclays Bank UK PLC, trading as Tesco Bank, reported a missed payment to his credit file.

What happened

Mr F has a credit account with Tesco and had a direct debit in place to make monthly payments towards it. On 30 July 2022, Mr F called Tesco and changed the statement date, and consequently the monthly due payment date, on his account. This meant that the direct debit that Mr F had set up to make the monthly payments was cancelled – because that day of the month that it was set up for was no longer the correct date.

Mr F didn't set up a new direct debit for his new monthly payment date. And when Mr F's next monthly payment became due, he didn't make the payment manually either. This meant that Mr F didn't make a payment to his credit account for that month, and Tesco reported this fact to the credit reference agencies. Mr F wasn't happy about this, especially as Tesco didn't tell him he needed to set up a new direct debit. So, he raised a complaint.

Tesco responded to Mr F and explained that the telephone call where Mr F had requested the change in statement date hadn't been recorded. This meant that Tesco couldn't confirm that Mr F had been correctly told that he needed to set up a new direct debit. And because of this, Tesco agreed to remove the missed payment marker from Mr F's credit file and offered to pay £180 to him as compensation for any trouble or upset he may have incurred. Mr F wasn't satisfied with Tesco's response and felt that a larger award of compensation was merited. So, he referred his complaint to this service.

One of our investigators looked at this complaint. But they felt that Tesco's corrective action and offer of £180 compensation already represented a fair outcome to what had happened. Mr F disagreed, and so the matter was escalated to an ombudsman 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.

When Tesco responded to Mr F's complaint, they upheld it on the basis that the phone call in question hadn't been recorded which meant that they couldn't confirm whether Mr F had or hadn't been told that he would need to set up a new direct debit. Tesco therefore gave Mr F the benefit of the doubt that he hadn't been told by their telephony agent that he would need to set up a new direct debit.

Upon review, I feel that Tesco have been generous to Mr F in their approach here. I say this because, ultimately, it was Mr F's responsibility as the account holder to have understood when his next payment was due and to have ensured that a payment was made on or by that date. And I also feel that it should have been self-evident to Mr F that if the date that his payments were due had changed that any direct debit that he had previously set up for the old payment date would now need to be updated.

Additionally, given that it was Mr F's responsibility to ensure that he made his monthly payments as contractually required, I feel that Mr F should have been monitoring his account and making the monthly payment manually in the absence of a direct debit being in place. And I feel that even if it were the case that Mr F hadn't been explicitly told by Tesco's agent that he needed to set up a new direct debit, that this wouldn't diminish or reduce Mr F's responsibilities to make his contractually required monthly payments in any way.

Where I do feel that Tesco didn't act fairly towards Mr F here was by not notifying him that his payment hadn't been made on the date that it was contractually required. Tesco have said that the amount of the minimum payment required was low, such that it didn't meet the threshold for them to notify an account holder that they payment had been missed. But it doesn't feel fair to me that Tesco wouldn't send a notice that a payment had been missed to an account holder but would later report to the credit reference agencies that the payment had been missed.

Ultimately, however, I feel that this is a moot point, because Tesco have now removed the missed payment reporting from Mr F's credit file. Accordingly, I'm satisfied that Tesco have already taken the corrective action that's required of them here, and that there is no further corrective action for them to take.

Tesco also offered to pay £180 to Mr F as compensation for any trouble or upset he may have incurred. Mr F doesn't feel that this amount provides fair compensation for what's happened here, and he references the impact that this matter has had upon him.

However, as explained, I feel that Mr F should be considered responsible and accountable for not making the monthly payment that he reasonably should have been aware that he needed to make, as per his responsibilities as the account holder. And because of this, I don't feel that Tesco should be instructed to increase their offer of compensation to Mr F.

All of which means that while I will be upholding this complaint in Mr F's favour, I'll be doing so only to instruct Tesco to pay the £180 compensation to Mr F that they've already offered to pay. And I won't be issuing any additional instructions to Tesco beyond this.

I realise this won't be the outcome Mr F was wanting. But I trust that he'll understand, given what I've explained, why I've made the final decision that I have.

Putting things right

Tesco must pay £180 to Mr F.

My final decision

My final decision is that I uphold this complaint against Barclays Bank UK PLC, trading as Tesco Bank, on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 6 May 2025.

Paul Cooper
Ombudsman