

## **The complaint**

Mrs P complains that Barclays Bank UK PLC trading as Tesco Bank defaulted and terminated her credit card account and reported this on her credit file.

## **What happened**

Mrs P held a credit card account with Tesco Bank.

On 8 February 2025 Mrs P received a credit card statement showing that her account was in arrears with a minimum payment due by 5 March 2025.

Mrs P then received a termination notice stating that she hadn't responded to the default notice and advising her that her account was being terminated.

Mrs P logged on to her mobile app and found a notice advising her that a notice of termination had been issued on her account and stating that if she repaid the arrears in full within 28 days of the notice being issued the termination of the account would not proceed.

Mrs P called Tesco Bank to check that the arrears had been cleared. She was advised that the information on her mobile app was incorrect and that despite her clearing the arrears the termination could not be stopped. Mrs P told the advisor that she hadn't received a default notice and raised a complaint.

Tesco Bank didn't uphold the complaint. In its final response it said it hadn't received any payment from Mrs P between September 2024 and January 2025. Tesco Bank said that because no payments were received it issued a default notice on 10 January 2025 giving Mrs P until 6 February 2025 to either repay the arrears in full or contact the financial assistance team for support and explaining that if neither action was taken a termination letter would be issued. Tesco Bank said that the termination letter was issued on 11 February 2025. It said it appreciated that Mrs P had made a payment of £219.00 on 30 January 2025 but this hadn't been enough to pay the full arrears of £339.00 and that the account had been defaulted and terminated correctly. Tesco Bank said it understood that Mrs P had said she hadn't received a default notice but said that it had issued numerous communications, and that no correspondence had been returned as undeliverable. Tesco Bank said that because there had been no error with the defaulting and termination of the account it would not be amending her credit file.

Mrs P remained unhappy and brought her complaint to this service.

Our investigator didn't uphold the complaint. She said the account had been terminated correctly.

Mrs P didn't agree so 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 Mrs P, but I agree with the investigators opinion. I'll explain why.

I've reviewed Mrs P's account. I can see that that due to Mrs P breaking her repayment plan in June 2024 Tesco Bank issued a default notice on 10 June 2024 advising her of the impact if the arrears weren't paid in full by 7 July 2024. I can also see that Mrs P paid the arrears in full, and the default didn't proceed. Mrs P reset her direct debit in July 2024 for the minimum payment to be collected each month. Her August payment was collected on time, but the statements show that no payments were received from September 2024 to January 2025.

I've reviewed some of the correspondence sent by Tesco Bank to Mrs P during this time. In October 2024 a letter was sent advising Mrs P that the bank had cancelled her direct debit. On 7 January 2025 a letter was sent asking Mrs P to get in touch and advising her that her account had been blocked. On 10 January 2025 a default notice was issued requiring payment of the arrears in full by 6 February 2025. The default notice stated that if Mrs P didn't pay the arrears in full by the date shown then further action could be taken as follows:

*"ending the agreement and asking you to [pay the balance due under the agreement]"*

*"reporting a default with credit reference agencies which will remain on the record for 6 years"*

I can see that Tesco Bank issued a termination letter on 11 February 2025. From my review of the statements, I can see that Mrs P made a payment of £219 on 30 January 2025. However, this didn't cover the full amount of the arrears of £339 within the timescale specified in the notice of default.

Based on the information I've seen, I'm satisfied that the default notice and the termination letter were correctly issued. I appreciate that Mrs P has said that she didn't receive the default notice, however, it is correctly addressed to Mrs P at her registered address so I'm unable to say that Tesco Bank has made an error.

Mrs P has said that she could see that the notice of termination had been issued when she logged on to mobile banking. I've reviewed the information that Mrs P has provided. The notice states that if the arrears are repaid within 28 days of the notice being issued the termination won't proceed. It's not in dispute that Mrs P paid part (but not all) of the arrears within the 28-day timescale. However, Tesco Bank has explained that the mobile app was showing incorrect information, because the default notice dated 10 January 2025 gave Mrs P until 6 February to repay the full arrears balance.

Notwithstanding the incorrect information on the mobile app, I'm satisfied that Mrs P was aware of the status of her account, as she had been sent numerous emails and text messages between September 2024 – January 2025, as well as a notice of sums in arrears letter dated 6 January 2025, a pre default letter dated 8 January 2025 and a notice of default dated 10 January 2025. I'm satisfied that all of the correspondence was correctly addressed to Mrs P.

I do understand that the termination of the account has impacted Mrs P's credit file and how distressing this must be for her. However, I'm unable to require Tesco Bank to amend Mrs P's credit file. This is because Tesco Bank – like all lenders – have an obligation to report accurate information to the credit reference agencies. In this case, Tesco Bank has reported the default and termination, which is factually accurate.

For the reasons I've given I'm unable to uphold the complaint.

**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 Mrs P to accept or reject my decision before 30 July 2025.

Emma Davy  
**Ombudsman**