

The complaint

Mr P complains that Barclays Bank UK PLC trading as Tesco Bank (Tesco) acted irresponsibly in granting him a credit card account, and in increasing its limit, as he says it was unaffordable for him.

What happened

Mr P took out a credit card with Tesco in November 2021. The initial credit limit was £250. The credit limit was increased to £600 in March 2022.

In 2025, Mr P complained – via a professional representative - that the credit card account had been unaffordable for him. In its final response letter, Tesco said it thought it had acted responsibly.

Mr P was unhappy with Tesco's response, so he referred his complaint to our service.

One of our Investigators considered Mr P's complaint about the credit card and didn't uphold it. Mr P's representative disagreed with our Investigator's opinion, so the case comes to me to decide.

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 considered the relevant rules and guidance on responsible lending set by the regulator, laid out in the consumer credit handbook (CONC). In summary, these say that before Tesco provided the account, and when it increased the credit limit, it needed to complete reasonable and proportionate checks to satisfy itself that Mr P would be able to repay the debt in a sustainable way, without borrowing further elsewhere. As this was an open-ended account, Tesco also needed to consider whether Mr P would be able to repay the debt within a reasonable period.

Granting of the credit card in November 2024

Tesco has explained that prior to offering Mr P the account, it considered the information he provided in the application and assessed information from a credit reference agency to determine whether or not to lend.

The information Tesco has provided from the credit reference agency showed that it found that Mr P had two defaults and a CCJ, but the most recent default was from over three years prior. The information from the credit reference agency showed that all Mr P's existing credit commitments were up to date. It also showed that Mr P had taken multiple cash advances in the three months prior to the application.

The application data shows that Mr P declared his annual income was £32,000, or around £2,300 a month.

Tesco has explained it used information from the credit reference agency and ONS data to estimate Mr P's expenditure. It estimated Mr P's essential expenditure to be around £1,300.

Overall, given the Mr P's declared income and the initial credit limit, I think Tesco conducted proportionate checks. I appreciate there were some signs that Mr P may have been experiencing financial stress, given he had taken out several cash advances. But I think this was reflected in the relatively low credit limit Tesco granted. On balance, taking everything into account, I think Tesco reasonably thought that the initial credit limit of £250 was sustainably affordable for Mr P.

Credit limit increase in March 2022

Tesco has explained that before granting the credit limit increase, it considered the conduct of the account and information from a credit reference agency.

Tesco's records show that Mr P had made his payments on time, and almost always paid more than the minimum amount. The information from the credit reference agency showed that Mr P had no missed payments, or other recent negative information, elsewhere.

The information from the credit reference agency said that Mr P's income had remained the same as he'd declared in his application, verified by his current account turnover. It showed Mr P had a total available credit limit of £3,650, and was utilising 79% - or around £2,880.

Overall, given the Mr P's declared income and the proposed new credit limit, I think Tesco conducted proportionate checks. Based on the information it found, I think Tesco reasonably considered that the credit limit of £600 was sustainably affordable for Mr P.

I've also considered whether Tesco's actions have meant there's an unfair relationship between it and Mr P. However, for the reasons I've already given, I think Tesco didn't lend irresponsibly to Mr P or otherwise treat him unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 24 October 2025.

Frances Young
Ombudsman