

## **The complaint**

Mr W complains that Barclays Bank UK PLC trading as Tesco Bank applied a late payment marker to his credit file.

## **What happened**

In February 2025 Mr W requested to close his Tesco Bank credit card account using an online form. Mr W had previously made a payment to clear his January statements balance on 8 February 2025.

Tesco Bank issued a statement on 22 February 2025 with an interest balance of £33.66. This wasn't paid. Tesco Bank issued a statement on 22 March 2025 with a £12 late payment fee and a further £0.58 interest.

Tesco Bank wrote to Mr W on 21 March 2025 advising him about the outstanding balance on the account. Mr W received the letter on 1 April 2025 and paid the outstanding balance that day.

Mr W complained to Tesco Bank and asked them to remove the late payment marker from his credit file.

Tesco Bank didn't uphold the complaint. In its final response it said that when closing the account online it notified Mr W that further interest may be applied if he'd recently cleared the balance. Tesco Bank said it had attempted to collect £33.66 by direct debit but this had failed. Tesco Bank said that because no payment was made to the account by the payment due date, the late payment fee and further interest was applied. Tesco Bank said it had sent a letter to Mr W on 21 March 2025 to make him aware of the outstanding balance on the account. It said it was unable to amend Mr W's credit file because the late payment had been correctly reported.

Mr W remained unhappy and brought his complaint to this service.

Our investigator didn't uphold the complaint. He said he was satisfied that Tesco Bank had made Mr W aware that further interest might be added following the closure of the account. The investigator said that Tesco Bank had correctly reported the late payment.

Mr W didn't agree. He said the marker on his credit file had impacted on his ability to obtain a new mortgage. He said he hadn't seen a warning about further interest when he closed the account.

Because Mr W 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 Mr W, but I agree with the investigators opinion. I'll explain why.

It's not in dispute that Mr W cleared the January statement balance on 8 February 2025. I've reviewed what Mr W would've seen when he closed the account online. There is a warning on the screen which states:

*"If you have recently cleared your balance, you may find that there is still interest to be applied to your account"*

In Mr W's case, there was interest to be applied to the account because interest was accruing from the date his January statement was produced until the date when he cleared the balance.

The interest applied to the account was shown on the statement produced on 22 February 2025.

Having reviewed the statement of account I can see that Mr W didn't make a payment in relation to the 22 February 2025 statement. This led to a statement dated 22 March 2025 with a late payment fee of £12 added plus further interest on the outstanding balance.

I can see that Tesco Bank sent a letter to Mr W advising him about the outstanding account. The letter was sent on 21 March, but Mr W says he didn't receive it until 1 April. I can't say why the letter took so long to reach Mr W but, in any event, the payment had already been missed in relation to the February 2025 statement by this time, so it wouldn't have made a difference to the late payment marker even if Mr W had received the letter sooner.

I appreciate that the late payment marker has impacted Mr W's credit file. However, I'm unable to say that Tesco Bank made an error or treated Mr W unfairly by reporting the late payment marker, because they are correctly reporting the status of the account. Tesco Bank – like all providers of credit – are under an obligation to provide accurate information to the credit reference agencies.

For these reasons, I'm unable to ask Tesco Bank to amend Mr W's credit file.

### **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 Mr W to accept or reject my decision before 13 August 2025.

Emma Davy  
**Ombudsman**