

The complaint

Ms O complains that interest charges Barclays Bank UK PLC, trading as Tesco Bank, charged her were unclear.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

The 0% interest free period on Ms O's Tesco Bank credit card ended in January 2025. In February 2025 she cleared the balance on the account and thought she had nothing further to pay as her banking app showed a zero balance. Ms O was subsequently upset to find that Tesco Bank applied some interest.

Tesco Bank explained that interest was correctly applied as it related to the period between the end of the interest free period and the date the balance was repaid. They refunded the late payment fee that was incurred when Ms O didn't pay that interest in time.

Our investigator thought Tesco Bank hadn't done anything wrong, but Ms O disagreed and asked for a decision by an ombudsman.

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 Ms O, but I agree with our investigator's view of this complaint and for broadly the same reasons.

The Financial Ombudsman is designed to be a quick and informal alternative to the courts. Given that, my role as an ombudsman is not to address every single point that has been made. Instead, it is to decide what is fair and reasonable given the circumstances of this complaint. And for that reason, I am only going to refer to what I think are the most salient points. But I have read all of the submissions from both sides in full, and I keep in mind all of the points that have been made when I set out my decision.

Where the evidence is incomplete, inconclusive, or contradictory (as it is here), I have to make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

Tesco Bank reminded Ms O that the promotional interest offer was coming to an end soon when they wrote to her in November 2024 and in January 2025. Unless the promotional balance was cleared before the expiry date, interest would begin to accrue on the remaining balance. As the balance wasn't cleared until after the offer ended I don't think Tesco Bank were unreasonable to charge interest on the balance in line with the terms and conditions of the account.

Ms O has explained that the app showed a zero balance after she paid it. But, the interest for the period between the promotional offer ending and the payment date would not have been billed at that point.

I've thought about how clear that would have been to Ms O but even if the app showing a zero balance without warning of pending interest was confusing, I think Tesco Bank had clearly explained to Ms O that there would be an interest charge applied if a balance remained after the expiry of the promotional offer. The letter sent in November 2024 explained that interest would be charged at the standard rate after 25 January 2025, a similar letter sent in January 2025 explained that interest would apply after the promotional offer ended: the balance wasn't cleared until 25 February 2025. It is reasonable for Ms O to have, therefore, expected interest to be applied to her account. Overall, I don't think it would be fair to suggest Tesco Bank have done anything wrong here and I'm not asking them to take any action.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 2 September 2025.

Phillip McMahon
Ombudsman