

## The complaint

Miss H complains about Barclays Bank UK PLC, trading as Tesco Bank, failing to communicate that they closed her credit card account. Also, their poor service.

## 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.

In 2014, Miss H took out a credit card account with Tesco Bank.

In 2017 and 2018 mail sent to Miss H's address was being returned and Tesco Bank say they sent her emails requesting she contact them, but she didn't respond.

In 2018, following a review of Miss H's account, Tesco Bank made a decision to close Miss H's account. This is because they considered it wasn't being managed in line with their terms and conditions.

As Tesco Bank didn't receive a response from Miss H about her mail being returned they applied a 'Reissue Decline' (RD) marker to her account. This meant a new card wouldn't be issued after the card expired on 1 May 2020 and the account would be closed when no balance was due. Due to the returned mail, they didn't send Miss H a letter.

Despite Miss H having paid the balance and not having used the card since May 2018, the account wasn't closed as planned. This was due to a processing error.

Miss H says she didn't receive any communications and / or contact from Tesco Bank so she didn't realise her account was closed. Also, it was showing as active on her credit file.

In 2023, Miss H complained to Tesco Bank about not receiving a new card, but this wasn't upheld due to the returned mail issue.

In December 2024, Miss H attempted a £2,000 balance transfer which declined. Miss H reported her expired card as lost, but Tesco Bank wouldn't issue a new card.

When Miss H complained, Tesco Bank wouldn't reinstate her account but accepted:

- They had made a processing error which meant her account hadn't closed as intended.
- An agent had given her incorrect information that her account had a balance.

Tesco sent her a compensation cheque for £80 as an apology for these errors but Miss H considered this to be inadequate. Her reasons included the following:

- She had to make numerous calls to Tesco Bank, costing her time and money.
- When her account was no longer active, she *'continued to be offered balance transfers, money transfers and other offers related to my credit card account which led me to believe I had financial options which, in reality, didn't exist'*.
- There was *'false reporting to create agencies over a prolonged period of time, leading other lenders to believe I had more credit available to me than in fact was'*

*the case. This has potentially led other lenders to allow borrowing beyond my means and pushed me into financial difficulty. The actions of Tesco Bank in failing to report correctly to credit agencies has serious consequences which has contributed to ongoing stress and anxiety around my financial situation.'*

- The compensation offer was poorly handled

Our investigator upheld her complaint and said that Tesco Bank should pay Miss H a further £170 bringing the compensation payment to £250.

Miss H agreed to this, but Tesco didn't. Tesco Bank's reasons include the following:

- *In November 2024 Miss H 'was already aware that Tesco Bank had made a decision to not renew her credit card due to inactivity and returned mail. The outcome she wanted from this complaint was for the bank to issue a new card and to use the account, however she was already aware this wasn't possible when we responded to her previous complaint in September 2023. She was provided with £50 compensation'.*
- There is very little material impact
- *'We do agree there was an error for not marking the account as 'closed' sooner but we believe £80 provided as apology as part of this complaint (and the £50 provided in September 2023) is fair compensation for the inconvenience experienced'.*

As Tesco Bank remain dissatisfied this complaint has been referred to me to look at.

I issued a provisional decision on 20 June 2025, and this is what I said:

*I've considered the relevant information about this complaint.*

*Our investigator upheld this complaint. But based on what I've seen so far, there will be a different outcome to what he proposed. Before I issue my final decision, I wanted to give everyone a chance to reply.*

*The deadline for both parties to provide any further comments or evidence for me to consider is 4 July 2025. Unless the information changes my mind, my final decision is likely to be along the following lines.*

*If I don't hear from Miss H, or if they tell me they accept my provisional decision, I may arrange for the complaint to be closed as resolved without a final decision.*

*What I've provisionally 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.*

*Having done so, my decision is different to the investigator and, based on the information received so far, I'm not upholding this complaint.*

*I should first say my role is to independently evaluate the evidence provided by both parties and, where evidence is incomplete, inconsistent or contradictory, as some of it is here, I must reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence and wider circumstances.*

*Tesco Bank accept they made a processing error and misadvised Miss H, so what's left for me to decide here is a fair amount of compensation to put things right. Miss H is willing to accept £250 but Tesco feel their £80 offer is fair and reasonable.*

*Regarding Miss H's dissatisfaction over the way Tesco Bank handled the £80 compensation payment, there are rules (known as DISP Rules) laid down by the regulator, the Financial Conduct Authority, which means complaint handling is not a regulated activity. So, I'm unable to consider this aspect of Miss H's complaint.*

*Assessing compensation for the service errors and the subsequent distress and inconvenience isn't an exact science and our approach when making awards is detailed on our website and tends to be modest.*

*I'm satisfied Tesco Bank received return mail from the address they held, had the correct email address for Miss H and have records of sending emails and texts. So, I think it was reasonable for them to stop sending correspondence by post and to think Miss H would've received their messages asking her to contact them.*

*I appreciate Miss H is sceptical about Tesco Bank having sent her messages by email and texts. Due to the passage of time, it isn't possible to see the emails and texts but, based on Tesco Bank's records, I think it more likely than not that at least one of the methods of communication would've been sent. I am though persuaded by Miss H's submissions and actions that she didn't receive them or perhaps missed them.*

*However, whilst I can understand Miss H thinking her account was still active (due to Miss H receiving marketing emails and the account remaining on her credit file) and I'm persuaded she didn't see a message to contact Tesco Bank, I think she should've contacted them before or soon after their RD action which meant she could no longer use the account. I say this because she wouldn't have received any statements and her account disappeared from her app.*

*So, despite Tesco Bank making a processing error when attempting to close her account, I think this could've been realised several years earlier negating any negative impact.*

*Regarding the impact on Miss H, I can't see either an explanation or evidence on how the account appearing on her credit report caused her anxiety or detriment and I note that Miss H refers to 'potential' detriment.*

*So, the main impact for me to consider appears to be Miss H's time and trouble calling Tesco Bank and her frustration, including being given incorrect information.*

*I recognise that the inconvenience and frustration Miss H experienced could've been prevented if Tesco Bank hadn't made a processing error and had rectified it in September 2023. But when considering the following alongside our guidance:*

- The postal issues were out of Tesco Bank's control*
- I consider it was reasonable for Tesco Bank to stop sending post*
- I think it more likely than not that Tesco Bank did send messages asking Miss H to contact them*
- I think Miss H should've contacted Tesco Bank earlier*
- Tesco Bank's mistake therefore could've been remedied several years earlier*
- Miss H's complaint in 2023 was because she wanted her account reinstated,*

*she made aware this wasn't possible and received goodwill gesture of £50*

*I don't consider Tesco Bank's £80 compensation offer to be either unfair or unreasonable.*

*So, having considered the above and all the information on file, my provisional decision is not to uphold this complaint.*

*My provisional decision*

*For the reasons I've given above, it's my provisional decision not to uphold this complaint against Barclays Bank UK PLC trading as Tesco Bank.*

*I'll look at anything else anyone wants to give me – so long as I get it before 4 July 2025.*

*Unless that information changes my mind, my final decision is likely to be as I've set out above.*

### **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.

Further to my above provisional decision, I didn't receive a response from either Miss H or Tesco Bank.

So, as no further arguments or evidence have been produced in response to my provisional decision, my view remains the same. I therefore adopt my provisional decision and reasons as my final decision.

### **My final decision**

For the reasons detailed above, my final decision is not to uphold this complaint against Barclays Bank UK PLC trading as Tesco Bank.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 13 August 2025.

Paul Douglas  
**Ombudsman**