

## **The complaint**

Miss U is unhappy that Barclays Bank UK PLC, trading as Tesco Bank, incorrectly updated the address on her account.

## **What happened**

Miss U had a credit account with Tesco which was in significant and prolonged arrears, meaning that the account was being managed by Tesco's collections and recoveries team. As part of their collections process, Tesco passed Miss U's account to a third-party agency (which I'll refer to as 'X') who would try to collect the money owed by Miss U on Tesco's behalf.

When Miss U's account was passed to X, a credit search was undertaken by X which showed that Miss U was linked to a different address than the address held by Tesco. Because of this, X updated Miss U's address on her account to the new address. However, it appears that this address change was done in error, and Miss U has explained that she has never resided at the address that X changed her address to.

X were ultimately unsuccessful in their attempts to recover the outstanding account balance from Miss U, and they returned the account to Tesco, with the incorrect address still listed on the account. Tesco then made the decision to sell Miss U's account debt to a different third-party (whom I'll refer to as 'Y') and they completed a sale of debt and transferral of account rights to Y accordingly, with the incorrect address listed on the account.

Miss U later found that Y applied a County Court Judgement ("CCJ") against her, registered to the incorrect address. Miss U wasn't happy about this and felt that Tesco had updated her address incorrectly and that the CCJ was therefore unfair. So, she raised a complaint.

Tesco responded to Miss U but didn't feel that they'd done anything wrong in how they'd administered her account. Miss U wasn't satisfied with Tesco's response, so she referred her complaint to this service.

One of our investigators looked at this complaint. They felt that X had likely changed Miss U's address to an incorrect address, and that as X were working as agents for Tesco at that time, that Tesco were ultimately responsible. Our investigator also felt that Miss U had been troubled and inconvenienced by being linked to the incorrect address and said that Tesco should pay £200 to Miss U as compensation for this.

Finally, our investigator noted that because the CCJ had been applied by Y, after the sale of debt and transferral of rights to Y, that if Miss U was unhappy about the CCJ, she would need to complain to Y directly. Miss U didn't feel that the £200 compensation recommended by our investigator went far enough, so the matter was escalated to an ombudsman for a final decision.

## **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.

Tesco have explained that the address on Miss U's account was updated by X, and not by themselves, and they also feel that X wouldn't have updated the address without clear evidence that Miss U was linked to that address.

But when X updated the address, they were acting as agents for Tesco, with Tesco retaining ownership of the account and as such ultimate responsibility for it. Furthermore, Miss U has provided evidence to this service that persuades me that she didn't in all likelihood ever reside at that address and that the address was therefore updated incorrectly by X. This includes that Miss U successfully complained to the credit reference agency which held the incorrect address for its removal from her credit file, and the fact that no other credit reference agencies linked Miss U to the address in question at any other time.

Accordingly, given that Tesco were the owners of the account at the time the address was incorrectly updated, I do feel that Tesco should fairly be held accountable. And if Tesco aren't happy about this, then I feel that this would be a communication issue that they would need to take up with X directly.

Miss U has said that the £200 compensation amount recommended by our investigator doesn't go far enough to address the impact that Tesco's mistake has had on her, which includes the recording of the CCJ at that address. But Tesco didn't record the CCJ, and so I can't instruct them to remove it. If Miss U is unhappy about the CCJ, she would need to complain to Y directly about that matter.

Finally, I don't accept Miss U's argument that the incorrect address change has been the primary source of the impact about which she has explained she is unhappy. Instead, I feel that the fact that Miss U didn't meet the contractual repayment terms of an account she was aware of and which she understood was in arrears was the primary contributing factor. For instance, it seems highly likely that the reason Miss U incurred a CCJ was because she didn't make the required payments to her account, and highly unlikely that the CCJ was incurred primarily because of an incorrect address.

Accordingly, I don't feel that Miss U's expectation that a higher award of compensation for the incorrect address change is reasonable. And I feel that £200 does represent fair compensation to Miss U for the upset and inconvenience that having to correct her address may have caused.

In taking this position, I've considered the impact on C of the incorrect address, as I've described it, alongside the general framework this service uses when assessing compensation amounts, details of which can be found on our website. And, having taken these factors into account, I feel that £200 is a fair compensation amount.

I realise this outcome may not be satisfactory to either Miss U or Tesco, but I hope that both parties will understand, given what I've explained, why I've made the final decision I have.

### **Putting things right**

Tesco must pay £200 to Miss U.

### **My final decision**

My final decision is that I uphold this complaint against Barclays Bank UK PLC, trading as Tesco Bank, on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss U to accept or reject my decision before 16 October 2025.

Paul Cooper  
**Ombudsman**