

## **The complaint**

Ms C is unhappy that Barclays Bank UK PLC, trading as Tesco Bank, declined her request to freeze or reduce interest on her credit card account.

## **What happened**

Ms C has a Tesco credit account on which she'd agreed a plan whereby she was making monthly payments of £299.07. These payments were significantly higher than the contractually required monthly minimum payments required on the account, and the purpose of the plan was to enable Ms C to reduce the balance on her account relatively quickly.

In June 2025, Ms C contacted Tesco as she'd had a change in her financial circumstances that meant she could no longer afford to make the £299.07 monthly payments she had been making. Ms C asked Tesco to either freeze interest on her account or reduce the interest rate applicable to her account to help her continue to make the £299.07 payments.

Tesco considered Ms C's request and conducted an income and expenditure assessment with her, which showed that Ms C had £189 of disposable income each month. Based on that assessment, Tesco declined Ms C's request, because while she could no longer afford to make the £299.07 payments, she could still afford to make the contractually required minimum payments to her account, which at that time were around £131. Ms C wasn't happy that Tesco wouldn't freeze or reduce account interest as she wanted, so she raised a complaint.

Tesco responded to Ms C but reiterated their position. Ms C wasn't satisfied with Tesco's response, so she referred her complaint to this service, where it was considered by one of our investigators. However, our investigator didn't feel that Tesco had acted unfairly by declining Ms C's request and didn't uphold the complaint. Ms C remained dissatisfied, 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.

In her submissions to this service, Ms C has referenced regulatory guidance regarding consumers in financial difficulty, which includes that credit providers should consider forbearance options (such as a freeze of account interest) for consumers in financial difficulty.

However, a consumer in financial difficulty is a consumer who cannot afford to meet their contractual payment obligations. That isn't the case here, because, as per the income and expenditure assessment that Ms C completed (the results of which Ms C hasn't disputed) she can afford to pay the contractually required minimum payments on her Tesco account.

I can appreciate that Ms C would like to keep paying more than the minimum payment amount to reduce her outstanding account balance quickly. But I feel that because she can

afford to pay at least the minimum payment required on the account, it is fair that Tesco don't consider her to meet the threshold of being in financial difficulty such that they have any obligation to consider not applying interest to the account as per the contractual terms.

Importantly, Ms C agreed to the interest terms of the account when she opened it. And given that Ms C can afford to make at least the minimum payment required on the account, I don't feel that Tesco should fairly or reasonably be instructed to deviate from those terms.

That Tesco aren't willing to deviate from the contractual terms of the account may, in a sense, be of benefit to Ms C. I say this because if Tesco did offer a reduced payment plan to Ms C whereby the payment was less than the required minimum payment each month, arrears would still accrue on the account, that Tesco would then be obliged to report to the credit reference agencies, potentially to Ms C's detriment. However, by remaining adherent to the contractual repayment terms and making payments of at least the minimum payment amount each month, Ms C's credit file shouldn't incur any adverse reporting as a result.

All of which means that I don't feel that Tesco have acted unfairly towards Ms C here as she contends, and it follows from this that I won't be upholding this complaint or instructing Tesco to take any form of action. This is because, as explained, I don't feel that Tesco have acted unfairly by not considering Ms C to have met the threshold for being in financial difficulty, given the result of her income and expenditure assessment. I hope that Ms C will understand, in consideration of what I've explained, why I've made the final decision that I have.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 29 December 2025.

Paul Cooper  
**Ombudsman**