

## **The complaint**

Mr K complains that Barclays Bank UK PLC, trading as Tesco Bank, misled him during his personal loan application.

## **What happened**

Mr K applied for a personal loan with Tesco with a repayment term of 62 months. His application was accepted in principle, but when Tesco conducted further checks they found that Mr K is not a permanent resident of the UK and that his UK work visa only had approximately two years remaining.

Because of this, Tesco amended their offer and said that they would only offer a personal loan term to Mr K that matched the remaining term left on his visa. Mr K wasn't happy about this, as the reduced term made the loan repayments unaffordable for him, so he raised a complaint.

Tesco responded to Mr K. They didn't feel that they'd done anything wrong but they did agree to remove the hard credit search they'd undertaken as part of the loan application process from Mr K's credit file as a gesture of goodwill. Mr K wasn't satisfied with Tesco's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that Tesco had acted unfairly as Mr K contended and didn't uphold the complaint. Mr K 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.

Having done so, I won't be upholding this complaint. Mr K is unhappy at what he perceives as a lack of transparency from Tesco. But Mr K applied for a 62 month loan in full knowledge that his work visa would expire in just over two years' time, and so knowingly applied for a loan that he might not have been able to repay – because he might have to leave the UK before the end of the loan term.

Given this situation, I feel that the onus was fairly and reasonably on Mr K to have contacted Tesco and sought confirmation from them what their policy was regarding permissible loan terms when an applicant has a UK visa with a defined expiration date.

I also feel that it stands to reason that Tesco would have concerns about providing a 62 month loan to an applicant with a UK visa that expires in the relatively short order that Mr K's visa was set to expire.

Indeed, one of the reasons that loan providers such as Tesco only offer a decision in principle, before conducting further checks, is because loan application scenarios such as this one exist – where there is a clear risk that an applicant might not be able to honour their

repayment commitments, and where that applicant hasn't discussed their relevant personal circumstances with Tesco in the first instance.

Ultimately, I don't feel that it reasonably should have been surprising to Mr K that Tesco would be unprepared to provide a 62 month loan to him, given the status of his visa and the uncertainty about his right to remain in the UK after his visa expired, and I reiterate that I feel that it was for Mr K to have confirmed how his visa status would affect his application before he submitted it.

Finally, Mr K has said that he feels that Tesco haven't acted in accordance with financial regulation. This service isn't a regulatory body, and so I have neither the remit nor the authority to decide whether Tesco have acted in accordance with regulation or not. If Mr K has concerns of this nature, I can only refer him to the relevant regulatory body, which in this instance may be the Financial Conduct Authority ("FCA"). However, what I can decide is whether I feel Tesco have acted unfairly. And, for the reasons I've explained, I don't feel that they have.

All of which means that I won't be upholding this complaint against Tesco, because I don't feel that they've treated Mr K unfairly or unreasonably. This is because, as explained, Tesco offered a decision in principle to Mr K and then fairly and reasonably amended their loan offer when the important information about Mr K's remaining visa term, which Mr K hadn't appraised Tesco of beforehand, became known to them.

I hope that Mr K will understand, given 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 Mr K to accept or reject my decision before 16 February 2026.

Paul Cooper  
**Ombudsman**