

The complaint

Mr P complains about the outstanding balance owed under a fixed sum loan agreement he has with Tesco Mobile Limited.

What happened

In August 2024, Mr P took out a fixed sum loan agreement with Tesco, to pay for a brand new mobile telephone handset with a cash price of around £1,100. Under the agreement, Mr P was contracted to make monthly repayments of about £30 over a three year period. To sit alongside the loan for the handset, Mr P also has an airtime services contract with Tesco.

A few months after the agreement started, Mr P says his bankers noticed he'd been the victim of fraud. He says that to try and help him, some of the Direct Debits claimed from his bank account were reversed. This meant that one of the repayments to Tesco was missed.

To try and sort things out, Mr P contacted Tesco and told them what had happened. He says Tesco agreed to waive the payment that was missed and to remove any adverse information from his credit file. However, Mr P says Tesco didn't follow through with what they agreed and so he complained.

In their final response to Mr P's complaint, Tesco said they didn't agree to waive the repayment due to the loan. They also said all the missed payment information recorded on Mr P's credit file was correct. But, Tesco had noticed that they hadn't returned Mr P's calls at a convenient time. So, they paid £22.50 to his airtime services account, as a gesture of goodwill. Tesco also said they would try and help with Mr P's financial circumstances if he needed it. Mr P didn't accept Tesco's response and brought his complaint to this service.

One of our investigators looked into Mr P's complaint and found that Tesco had treated Mr P fairly. He agreed it wasn't Tesco that caused the missed payment to the loan and that they hadn't agreed to waive the monthly instalment.

Additionally, the investigator said it was fair for Tesco to record the missed payment information on Mr P's credit file. And suggested Mr P write to the credit reference agencies with evidence to show he'd been the victim of fraud. Finally, the investigator said that the payment to Mr P's airtime service account was fair, when considering the impact of Mr P's frustration when he says he wasn't able to speak to them.

Mr P didn't agree with the investigator's findings and said Tesco had failed to provide the correct information about the missed payment. He said he should not be held responsible for the repayment of the fixed sum loan agreement.

The investigator didn't change his conclusions and Mr P's complaint has now been referred to me to make 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 is seeking to recover payment from Mr P under a regulated fixed sum loan agreement. Our service is able to consider complaints about these sorts of agreements.

After Mr P brought his complaint to us, I can see that he raised several concerns with Tesco about a second agreement he has with them. I'm also aware that we have arranged for a separate complaint to be set up. So, my review will concentrate on the agreement Tesco based their final response on, in December 2024.

I want to acknowledge where I've summarised the events of Mr P's complaint. I don't intend any discourtesy by this, as it just reflects the informal nature of our service. I'm required to decide matters quickly and with minimum formality. But I want to assure Mr P and Tesco that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

The crux of Mr P's complaint is that Tesco won't remove the missed payment information from his credit file, despite where he says he was the victim of fraud. I can see from Tesco's records where the payment was missed in October 2024, after funds were reversed from his account with them. Mr P says this happened because of the actions of his bankers.

I've thought carefully about what Mr P has told us and I accept his bankers may have taken precautions to reverse the Direct Debit claimed from his account by Tesco. But, I haven't seen any evidence from Mr P to show the nature of the fraud that he says happened. And even if I did have that evidence, I don't think Tesco caused the missed payment to his loan.

On the face of it, I think it was fair for Tesco to decide to record a missed payment about Mr P's fixed sum loan agreement, on Mr P's credit file. However, Mr P says this was further compounded, because Tesco agreed to waive the repayment to the loan. So, I've considered if Tesco confused matters in the way that Mr P has suggested.

Tesco have provided their records showing the conversations they had with Mr P, along with the letters sent to his postal address and emails. I've carefully looked through the correspondence between the two parties and I cannot see where Tesco agreed to waive a repayment due to the loan.

I agree that it's likely Tesco attempted to help Mr P understand the level of arrears on his loan. But, I can see from their responses to Mr P's queries, that they have consistently held the view that Mr P would be better placed to direct his concerns to his bankers. On balance, I don't think Tesco made the offer that Mr P has told us about. So, I don't think they caused confusion about the missed payment, or have treated Mr P unfairly.

In all the circumstances, I think it is fair for Tesco to pass on the missed payment information to credit reference agencies. I say this as I think it accurately reflects Mr P's payment history for the fixed sum loan agreement taken out with Tesco in August 2024. Should Mr P successfully pursue things with his bankers, he may well have the option to ask for a notice of correction through the credit reference agencies.

I've also considered the verbal and written correspondence between Mr P and Tesco, to think about Mr P's concerns that Tesco didn't reply when he asked them for help. Having looked at everything, I'm not persuaded Tesco caused Mr P significant distress or inconvenience, to the extent that he has described.

But, I can see where it may not have been convenient for Mr P, when they did try to make

contact with him. After thinking about all the evidence, I agree with Tesco that the payment of £22.50 to Mr P's airtime services account is fair and reasonable.

During our investigation, Mr P has raised concerns about the administration of his airtime services contract with Tesco. This isn't a regulated credit agreement that we're able to consider. So, Mr P should raise his concerns with Tesco in the first instance. I can see that our investigator has already given Mr P details of the scheme that may be able to help, if he's not satisfied with Tesco's response. So, I leave it to Mr P to take those matters further, if he still wishes to.

Finally, I'm aware that following my findings Tesco may start to contact Mr P to make arrangements for the repayment of the balance of the fixed sum loan.

In doing so, I remind Tesco of their responsibility to treat Mr P's financial circumstances with due consideration and forbearance. This may mean, amongst other things, Tesco carefully considering Mr P's income and expenditure to put together an affordable repayment plan, if he needs such an arrangement.

My final decision

My final decision is that I don't uphold Mr P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 31 December 2025.

Sam Wedderburn
Ombudsman