

The complaint

Mrs M complains about a remaining balance on a credit card she held with Barclays Bank UK PLC trading as Tesco Bank (“Tesco Bank”), due to a repayment plan not being put in place when requested.

What happened

Mrs M held a credit card account with Tesco Bank. Towards the end of November 2022, Mrs M contacted Tesco Bank to arrange a payment plan to repay the outstanding amount owed. Mrs M thought a plan had been arranged and agreed by Tesco Bank to last until around November 2025. The plan was for Mrs M to repay around £111 monthly.

Mrs M said she later found out that a payment plan hadn’t been put in place as agreed and she was rather making her normal, regular minimum monthly repayments under the agreement. So, her direct debit hadn’t been amended to collect the increased amount. And so, Mrs M complained to Tesco Bank.

In June 2025, Tesco Bank accepted they made a mistake and offered to reduce her remaining balance by £300 and as an apology, they provided £200 compensation for the distress and inconvenience caused. They also asked Mrs M to get back in touch if she still wished for a payment plan to be put in place.

Mrs M wanted all the interest that had accrued for the approximately three years she thought a plan was in place to be removed. Tesco Bank explained that even if the plan had been put in place as agreed around three years prior, interest would have still accrued and had been payable. And so, didn’t think it was fair to remove all the interest.

Mrs M, unhappy with Tesco Bank’s response, referred her complaint to our service.

Our investigator thought Tesco Bank’s offer was fair in the circumstances and didn’t think they needed to do anything further.

Mrs M disagreed. Among other things, Mrs M believed she was financially worse off due to the plan not being put in place when it should have been. Mrs M believed she should have cleared her outstanding balance by November 2025, but now still has over £3,000 left to pay.

As Mrs M disagreed with the investigator’s outcome, the complaint was passed to me to decide.

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’m not upholding this complaint and I’ll explain why below.

I'm aware I have summarised events and comments made by both parties very briefly, in less detail than has been provided, largely in my own words. No discourtesy is intended by this. In addition, if there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

Mrs M complains about a credit card using a credit agreement. Entering into consumer credit contracts such as this is a regulated activity, so I'm satisfied I can consider Mrs M's complaint about Tesco Bank.

In this instance, it isn't in dispute here that Tesco Bank made a mistake. Tesco Bank accepted that a plan which should have been set up towards the end of November 2022 hadn't been processed as arranged between Mrs M and themselves. This meant that Mrs M continued to pay her normal monthly minimum repayments that were owed under the agreement via direct debit, rather than the increased amount of around £111, which was agreed.

To put things right, Tesco Bank reduced Mrs M's outstanding balance by £300, and also paid a further £200 to her for the inconvenience caused. So, what I need to consider is whether Tesco Bank's offer to put things right is fair in the circumstances or whether they need to do more to put things right.

I'm mindful in this instance it only transpired a couple of years later, in June 2025, when Mrs M contacted Tesco Bank, that the plan hadn't been put in place. And within this time, I have seen copies of monthly statements which Tesco Bank would have sent to Mrs M to show her remaining balance on the account and the payments she had made. I have also seen copies of correspondence Tesco Bank would have sent to Mrs M which asked her to get in touch with them if she would like to put in place a plan.

I'm also mindful that Mrs M ought to have been reasonably aware that she wasn't making the agreed payments of around £111 monthly to Tesco Bank. And I don't think it would be fair to hold Tesco Bank at fault for Mrs M not reviewing her monthly statements or her outgoings and checking if the payments she was making were correct.

Mrs M believes all the interest that had accrued for the approximately three years she thought a plan was in place should be removed. But I don't think this would be a fair and reasonable outcome. It is worth noting that interest would still accrue if Mrs M is on a plan and would still be payable. And so, I don't think it would be fair to remove all the interest.

And Mrs M believes she should have cleared her outstanding balance by November 2025, but now still has several thousands of pounds left to pay. But as I've already explained, Mrs M didn't ever pay the increased amount to reduce the balance and so retained that difference herself.

Considering the above, I think Tesco Bank's offer to reduce the outstanding balance by £300 is fair in the circumstances. And I also think the additional £200 they offered for the inconvenience caused is fair and reasonable.

My final decision

For the reasons I've explained, I don't uphold this complaint. So, I don't require Barclays Bank UK PLC trading as Tesco Bank to do anything more here.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or

reject my decision before 3 March 2026.

Ronesh Amin
Ombudsman