

## The complaint

Miss O complains that Barclays Bank UK PLC trading as Tesco Bank provided her with an unaffordable credit card.

## What happened

Tesco Bank provided Miss O with a credit card with the following details:

Date	Event	Credit limit
November 2018	Original limit	£3,200
October 2019	1 <sup>st</sup> credit limit decrease	£3,175
June 2020	1 <sup>st</sup> credit limit increase	£3,375*
December 2020	2 <sup>nd</sup> credit limit decrease	£3,175
May 2021	3 <sup>rd</sup> credit limit decrease	£1,275
May 2023	4 <sup>th</sup> credit limit decrease	£950

*\*This was a temporary six month increase to provide financial support during the COVID pandemic.*

Miss O complained to Tesco Bank in May 2025 about unaffordable lending. She said Tesco Bank had provided her with a credit card which was unaffordable; and that had it completed proportionate checks before providing her with the credit limits it should have identified the lending would be unaffordable for her.

Tesco Bank issued a final response in July 2025 in which it didn't uphold Miss O's complaint. In summary, it said its checks were proportionate and that it had made fair lending decisions. It went on to say that it considered Miss O had raised her complaint about the original lending decision in 2018 outside of the regulatory timescales for complaining; and that it didn't consent to our service reviewing this lending decision. Unhappy with Tesco Bank's response Miss O referred her complaint to our service for review.

One of our investigators looked at the details of this complaint and considered it was reasonable to interpret it to be about the fairness of Miss O's relationship with Tesco Bank. As such she went on to review the details of the complaint on this basis. Having done so, she didn't consider Tesco Bank had acted unfairly in its lending decisions, or in any other actions relating to Miss O's account. So, she didn't uphold the complaint.

Tesco Bank said it had no further comments to make in response to our investigator's view; Miss O responded and disagreed with the outcome. In summary, she maintained her position that proportionate checks ought to have led to Tesco Bank identifying financial difficulties and that this credit card wouldn't be affordable for her. Miss O asked for an ombudsman's review, so the complaint has been 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.

The information in this case is well known to Miss O and Tesco Bank, so I don't intend to repeat it in detail here. I'd like to assure both parties I've carefully reviewed everything available to me even though I may not have commented on it, because I've focused my decision on what I consider to be the key points of this complaint. I don't mean to be discourteous to Miss O or Tesco Bank by taking this approach, but this simply reflects the informal nature of our service.

Initially I think it's helpful for me to set out that there are time limits for bringing a complaint to our service, and Tesco Bank has said Miss O's complaint about the original credit limit was referred to us late. Our investigator set out within their view why they didn't think we could look at a complaint about the lending events that Tesco Bank made more than six years before the complaint was made.

But they also went on to explain why it was reasonable to interpret Miss O's complaint as being about an unfair relationship as described in section 140A (s.140) of the Consumer Credit Act 1974 (CCA); and why she therefore considered Miss O's complaint about an allegedly unfair lending relationship had been made to us in time.

I don't intend to go into the same level of detail our investigator already set out in my decision here, but for the avoidance of doubt I agree with our investigator that I have the power to look at Miss O's complaint on this basis. I say this because I'm satisfied Miss O's complaint is that Tesco Bank provided her with lending which was unaffordable for her, and that this potentially created an unfairness in the relationship.

The provision of this credit card may have made the relationship unfair, as Miss O may have paid more in interest and charges than she could afford. I acknowledge Tesco Bank doesn't agree we can look at any events more than six years before Miss O's complaint was made, but as I don't intend to uphold this complaint, I won't be commenting on this further.

In deciding what's fair and reasonable I'm required to take into account, amongst other matters, relevant law. As I consider Miss O's complaint is about the fairness of her relationship with Tesco Bank, relevant law in this case includes s.140A-C of the CCA.

S.140A says a court may make an order under s.140B if it determines that the relationship between the creditor (in this case Tesco Bank) and the debtor (Miss O), arising out of a credit agreement is unfair to the debtor because of one or more of the following, having regard to all matters it thinks relevant:

- any of the terms of the agreement.
- the way in which the creditor has exercised or enforced any of his rights under the agreement.
- any other thing done or not done by or on behalf of the creditor.

Case law shows that a court assesses whether a relationship is unfair at the date of the hearing, or if the credit relationship ended before then, at the date it ended. That assessment has to be performed having regard to the whole history of the relationship. Tesco Bank has confirmed the relationship was ongoing within six years of Miss O making her complaint, as it's provided statements dated to mid 2025 within its business file.

S.140B sets out the types of orders a court can make where a credit relationship is found to be unfair – these are wide powers, including reducing the amount owed or requiring a refund, or to do or not do any particular thing.

Given the details of Miss O's complaint, I need to consider whether Tesco Bank's decision to lend to her, or any other actions it may have taken, created an unfairness in the relationship between her and Tesco Bank; and if it did, whether Tesco Bank took reasonable steps to remove that unfairness.

We've set out our approach to complaints about irresponsible and unaffordable lending as well as the key rules, regulations and what we consider to be good industry practice on our website. I've followed this approach when considering Miss O's complaint.

Having done so, I don't consider Tesco Bank made unfair lending decisions when providing Miss O with these credit limits. I say this because:

- For the original credit limit Tesco Bank has provided us with the information it obtained and took into account when making its lending decision.
- This included obtaining details of Miss O's income and her regular non-discretionary expenditure, as well as completing a credit check to understand her existing credit commitments and her recent and historic management of credit.
- I consider these checks were proportionate to the terms of lending Tesco Bank was providing; and given there was no information which I consider ought reasonably to have caused it concern, I consider Tesco Bank fairly provided the initial credit limit.
- I acknowledge Miss O has made reference to adverse information being reported on her credit file, which I've seen Tesco Bank did identify as part of its checks. However, this information was historic, with defaults reported at least 36 months before this lending decision. I therefore consider it was reasonable for Tesco Bank to have considered this information historic and not representative of Miss O's current financial situation; which showed an improved situation with low credit utilisation and largely well managed accounts.
- Tesco Bank temporarily increased Miss O's credit limit by £200 around June 2020 (evidenced by way of her credit card statements), which it has said was to provide financial support during the COVID pandemic. This limit was reduced back to £3,175 in December 2020.
- I don't consider Tesco Bank's action in providing a modest credit limit increase to support its customers during the COVID pandemic to have been unreasonable; and on balance I consider this would more likely than not have been of benefit to Miss O at this time.
- Tesco Bank reduced Miss O's credit limit in December 2020; and went on to further reduce the credit limit in mid 2021 and mid 2023. I consider, given the communication I've seen Tesco Bank sent Miss O about these credit limit decreases, that it made these reductions in reaction to its assessment of risk and Miss O's changing financial circumstances, which is the action I would expect a responsible lender to take.

So, for the reasons I've found above I'm not persuaded that Tesco Bank acted unfairly when providing Miss O with this credit card.

I've gone on to consider if Tesco Bank acted unfairly in any other way during this relationship. I note that Miss O experienced financial difficulties during the COVID pandemic

and after, and I've seen that Tesco Bank provided support. I've also seen that Tesco Bank engaged with Miss O about persistent debt in line with its regulatory responsibilities.

Reviewing the history of the account and the actions Tesco Bank has taken, I've not seen anything which leads me to conclude it has acted unfairly in any other way in relation to this credit agreement.

I acknowledge my decision will likely be disappointing to Miss O; in no way is it intended to downplay the historic and current financial position Miss O is in. But for the reasons set out above, I don't uphold this complaint, and it therefore follows I'm not directing Tesco Bank to take any further action.

### **My final decision**

My final decision is that I don't uphold Miss O's complaint about Barclays Bank UK PLC trading as Tesco Bank.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 3 March 2026.

Richard Turner  
**Ombudsman**