

The complaint

Mr S has complained about the way that Barclays Bank UK PLC (trading as Tesco Bank) handled a debt taken out fraudulently in his name.

What happened

Both sides are most familiar with the case and we must anonymise decisions, so I'll summarise what happened in brief.

In 2013, an identity thief used Mr S's details to take out a credit card with Tesco Bank. Shortly after, Tesco Bank accepted that the application was fraudulent. But in error, they didn't take the account out of Mr S's name or remove it from his credit file. They also failed to do so when Mr S contacted them again in 2024 to query a letter he'd received.

In 2025, Mr S applied for a credit card with a different business, was turned down, and checked his credit file. He discovered the Tesco Bank entry was still there, and complained. Tesco Bank apologised, took the account out of Mr S's name, told the credit reference agencies to remove the relevant data, and offered Mr S £400 compensation in total.

Mr S feels this isn't sufficient. He says the negative information might've affected his ability to get work, though he had no evidence it did. He's very unhappy that Tesco Bank broke the rules around handling data. He's asked for a further apology, further compensation, for a review of Tesco Bank's processes, and for Tesco Bank to be penalised.

Our Investigator looked into things independently. They explained that we're not here to punish banks or set their processes, but to assess individual complaints. They found that Tesco Bank had made a fair offer to resolve things. Mr S didn't agree, so the complaint's been passed to me 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.

First, I will clarify that Tesco Bank is a trading name of Barclays Bank UK PLC. So while I understand that Mr S objects to us referring to Barclays, that is the correct business. Sometimes businesses have different trading names.

Turning to the matter at hand, I do appreciate that Mr S was subjected to identity theft by a fraudster, for which he has my sympathy. I appreciate it can feel most distressing to be targeted like that, and I can see the fraudster caused Mr S a great deal of stress. I'm grateful to Mr S for being open and candid with us about how this matter made him feel.

We must keep in mind that it's the fraudster who committed the fraud, and so it's the fraudster who is primarily responsible for the fraud and the resulting stress. But in this complaint against Tesco Bank, I'm just considering what Tesco Bank are responsible for.

All parties accept that Tesco Bank got things wrong here in reporting the account on Mr S's credit file, and continuing to report it even after he flagged the matter in 2024. This was in breach of the relevant rules and processes. I'm glad to hear that – this time – Mr S's data was removed from the account and the account data was removed from Mr S's credit file. The question, then, is how to put things right for the period where it was being incorrectly reported.

I must clarify that we are not the finance industry's regulator – that's the Financial Conduct Authority (FCA); and we're also not the data protection regulator – that's the Information Commissioner's Office (ICO). We're not a regulator at all; we're an alternative to the courts, here to resolve complaints more quickly and informally while being free to use. So, as we're not a regulator, we don't oversee how the industry works or set their processes. And we're also not here to issue fines or to punish banks for getting things wrong. So while I appreciate that Mr S strongly wants us to penalise Tesco Bank and review or change their processes across the board, that's not our remit. My remit here is to decide this individual complaint between Mr S and Tesco Bank about this individual situation. To do that, I must consider the likely impact that Tesco Bank's mistakes had on Mr S.

I'll first consider the likely financial impact. We asked Mr S about what issues he'd faced getting credit in the years this data was on his credit file. The only issue he brought up and evidenced was the failed credit card application from 2025. Mr S clarified that there weren't any other relevant debts during the period in question, and that other applications were made by the identity thief rather than him. So it seems that it was just his one credit card application which was affected. I do appreciate that it must have been frustrating to be initially declined due to Tesco Bank's mistaken credit file entry. I can see that Mr S reported the matter right after, and then within the next days Tesco Bank had arranged to have his credit file data fixed. The reason it took further weeks for the changes to show on Mr S's credit file is down to the time it takes credit reference agencies to adjust data, rather than due to any delay on Tesco Bank's part. As far as I can see, when Mr S complained in 2025, Tesco Bank acted promptly to fix their mistake. And even with the time it took for the credit reference agencies to adjust his file, the time between Mr S being turned down for that credit card and the underlying problem being resolved was relatively modest. And while the entry was on his file for many years before that, from what we've been given it doesn't appear to have impacted any other credit decisions during that time.

I've also thought carefully about Mr S's concern that he could potentially have lost work due to having this debt on his credit file. To hold Tesco Bank liable there, we'd need to have evidence to substantiate that Tesco Bank's credit file entry caused Mr S to lose specific jobs or contracts. But Mr S confirmed that he didn't have any such evidence, and that none of the companies involved said it was because of his credit file. Further, in order to check Mr S's credit file, those companies would normally have to tell Mr S that they were going to perform a credit check, and such searches would show up on his file. The absence of such evidence would suggest it's most likely that they didn't check his credit file and that Tesco Bank's entry did not cause him to lose that work. And I'm afraid I certainly don't have sufficient evidence to conclude that Tesco Bank's entry *did* cause any loss of work.

Mr S also suggested that Tesco Bank might have somehow caused the identity thief to be able to apply for other accounts. But I can't see that that's the case. In order to apply for this Tesco Bank card, the identity thief needed to already have stolen enough of Mr S's data to successfully impersonate him. And to impersonate Mr S, the identity thief had to give Mr S's data to Tesco Bank rather than the other way around. Further, common identity theft techniques would be carried out without any involvement of the bank. For example, the fraudster may have searched Mr S's bins, intercepted post, sent him phishing contact which looked genuine, scoured his social media or other public records, and so on. The reporting of the account on Mr S's credit file, while an error, would not have provided the identity thief with new useful information, assuming they could even see the entry – again, a person can't simply go into another person's credit file whenever they want. I've not found anything to substantiate that Tesco Bank caused the identity theft.

I'll then turn to the likely non-financial impact this had – i.e. the distress and inconvenience caused. Again, I must keep in mind that it's the fraudster who is primarily responsible for the fraud and the resulting stress. And in 2025, when Mr S's application was rejected and he complained, I see that Tesco Bank took things seriously and acted promptly to fix their error. I've not found anything inappropriate in their customer service from 2025, and they did not have to give Mr S the details of the fraudster or the fraudster's application. But I do see that Tesco Bank added some considerable stress, upset, and worry on top of the fraudster's actions in reporting this account on Mr S's credit file, even after he queried the account in 2024. It was inconvenient for Mr S to be turned down for that credit card in 2025, and he's had to put reasonable effort into sorting this matter out.

In terms of putting that right, I do understand why Mr S would like another apology. The problem is that if I were to make Tesco Bank apologise, it would seem forced rather than genuine – Tesco Bank would be saying sorry because I told them to. Further, I can see that Tesco Bank have already apologised more than once, and this clearly hasn't repaired their relationship with Mr S. So I don't think another apology is likely to help.

Instead of apologies, when a business gets things wrong, we commonly tell them to pay compensation, to acknowledge their error and the impact it had. In terms of the amounts, it's worth keeping in mind that we're an informal dispute resolution service, and not the regulator – so again, we're not here to issue fines or to punish businesses. Taking into account the impact that Tesco Bank's errors had on Mr S, along with the guidelines for compensation which I must be consistent with, I find that the £400 they've offered is fair to put things right.

My final decision

For the reasons I've explained, I find that Barclays Bank UK PLC (trading as Tesco Bank) have already made a fair offer to resolve Mr S's complaint. They should pay the £400 compensation to Mr S, if they've not done so already. I do not make any further award.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 11 November 2025.

Adam Charles
Ombudsman