

The complaint

Mr E complains about having a default registered and the poor handling of his credit card account by Barclays Bank UK PLC trading as Tesco Bank ("Tesco").

What happened

Mr E suffered a drop in income in 2024 and got into difficulties making payments for his credit card. He contacted Tesco in November 2024 to ask for three-month temporary pause in payments, and while Tesco said they couldn't agree with this, they did provide a 30 day hold on the account to allow Mr E to speak to a debt management organisation.

Tesco told Mr E that he needed to contact them by 13 December 2024 to discuss what would happen moving forward when this 30 day pause ended.

Tesco wrote to Mr E on 17 December 2024 asking him to get in touch as they hadn't heard from him and then issued a default notice on 30 December 2024. This gave Mr E until 26 January 2025 to pay the outstanding amount, or the default would be reported to credit agencies and the account terminated.

Mr E's normal monthly credit card statement was produced on 25 January 2025, outlining the amount owed and the normal deadline dates for payment. However, no payments arrived before the default expired, and Tesco proceeded to terminate his account on 31 January 2025.

Mr E has told us that he made a payment in line with his monthly statement of £2000 on 10 February 2025. He complained to Tesco by phone on 25 February 2025. Saying he hadn't received a notice of default or a notice of termination for his account and had followed the required payments on his statement by the required dates.

There were three responses from Tesco as an email conversation ensued between the parties, but ultimately, Tesco didn't change their stance.

Mr E brought his complaint to our service in July 2025, and an Investigator investigated it and didn't uphold it. They went through the 2024 into 2025 account in detail, explaining where previous default notices had been issued, when he'd contacted Tesco, what had ensued and how the account was terminated.

Mr E didn't agree with this and asked an Ombudsman to make a final decision. He said that his key concerns which hadn't been addressed were as follows:

1. Contradictory communications were received as a default notice issued on 31 December 2024 said payment was needed by 26 January 2025, but then on 25 January 2025 his monthly statement gave a different amount due and a different date by which it should be paid.
2. The January 2025 statement had said an overdue amount was due "immediately". He feels "immediately" isn't defined in Law or FCA rules.

3. He feels Tesco breached FCA obligations, around FCA principle 6 (customers' interests), FCA principle 7 (clear, fair, not misleading), and CONC 7.3.4R and 7.37G, as he says Tesco failed to exercise forbearance and provide a fair opportunity for him to remedy arrears, because the contradictory communications removed his realistic chance of compliance.
4. The arrears history discussed by the investigator is only context, and not the real issue.
5. The consequences of this failure have been catastrophic, caused him business problems as he is struggling to get access to finance now, and he has significant financial and reputational losses because of this.

Finally, he said he didn't fail to pay, it was simply that Tesco sent conflicting instructions which isn't fair.

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've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time.

In recognition of our service's remit to be quick and informal, I won't go through and repeat the answer the investigator has already provided to Mr E but will focus on the reasons he says are central to the failings by Tesco and key to this request for a final decision.

His key point is contradictory information received. Initially when he complained he said he'd never received a default notice, but now the argument seems to be that it contradicted the later monthly statement he received.

I'm not persuaded by this argument. A default notice is a clear regulatory letter, outlining the consequences of not complying with it by the deadline given. I don't think it's reasonable to argue that he thought he could ignore it because his normal monthly statement arrived after it, and so he followed instructions in that statement.

I'd also highlight that he had already had a default notice in 2024, which had been paused for 30 days when he called up and asked for a pause, and whilst Tesco gave him some breathing space to speak to a debt management organisation. Tesco told him at this point that he had to make contact by 13 December 2024 to discuss a way forward. He didn't do this, so Tesco fairly issued the default notice on 30 December 2024.

I don't think it's reasonable to assume you can ignore a default notice because you've had a more recent monthly statement. And when Mr E says he paid more than the minimum required, I agree, he did, but by then it was more than two weeks after the deadline given on the default notice to pay the money, and a week after Tesco had written to confirm they had defaulted him and terminated the agreement.

Mr E has referenced Tesco internal procedures being at fault, but a default notice isn't an internal procedure, it's a regulatory letter. I'm not persuaded by this argument.

His second point is about his statement saying a payment was "immediately due". This also doesn't persuade me Tesco have done anything wrong. The statement date was 25 January 2025, and the payment due under the default notice was due "by 26 January 2025". As such, the payment was immediately due. He feels his payment made around 10 February 2025 was immediate in a practical sense. I'm afraid I don't agree with this. If he had concerns about the phrase "immediately due", I'd have expected him to urgently call Tesco to discuss it, but he made no contact.

Mr E's third concern is that Tesco breached its regulatory obligations, saying the contradictory communications he says he received weren't clear, fair and not misleading. Again, I don't agree with this. The default notice was a regulatory letter and outlined the consequences for not meeting it. The monthly statement didn't say anywhere that it replaced this default notice or meant the default notice no longer applied. I am satisfied the communications Tesco sent were clear and not misleading. Alongside this, I think what had happened previously in 2024 demonstrates that Tesco had already been exercising forbearance and given him every opportunity to rectify the arrears.

Mr E's fourth concern is that the arrears history is only context, and not the real issue. But when he first raised a complaint with Tesco, and engaged in email conversations, he discussed how Tesco were the least accommodating of his finance providers at this time. I think that's a request to answer their conduct in managing his account, and I'm satisfied therefore that it formed part of this complaint. Also, as discussed above and below, the previous history here with the account is very much relevant to the ultimate default and complaint.

The context is also important here. He'd already had default notices and contacted Tesco to try to resolve the issues in 2024, but in December 2024 and January 2025, he made no contact after the 30 day pause or before the deadline on the default notice.

Mr E's final point is about the consequences of this being catastrophic to his finances and business. I was sorry to hear this, but this doesn't mean Tesco acted unfairly. If he'd discussed the issues with Tesco prior to the account being terminated, as he had done in 2024, then I could consider whether they could have done any more, but he made no contact through December 2024 and January 2025, which meant Tesco had little choice but to carry out the termination outlined in the default notice.

Once this is done, Tesco must report the default to the relevant agencies. And as they have pointed out, he would already have had several missed and late payment markers on his credit file from 2024, so it's likely that it isn't just this one default occurrence which has caused these problems with obtaining finance now.

I'm sorry for the problems Mr E suffered financially, but with regards to how Tesco defaulted and terminated his account, I'm not persuaded that they did anything wrong, and I won't be asking them to do anything more.

My final decision

I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 20 February 2026.

Paul Cronin
Ombudsman