

The complaint

Mr M is unhappy with several aspects of the service he's received from Barclays Bank UK PLC, trading as Tesco Bank, surrounding a credit card application that he made.

What happened

Mr M referred an earlier complaint to this service on which a final decision was issued in 2024. Part of Mr M's dissatisfaction in that earlier complaint was that Tesco had recorded a credit search on his credit file. The final decision issued by this service included, as part of the resolution for the complaint, the following:

"If Mr M successfully re-applies for a Tesco credit card... Tesco should remove the credit search from his credit file."

Having received the final response from this service, Mr M re-applied to Tesco for a new credit card, but his application was rejected. When Mr M asked Tesco why his application had been unsuccessful, he received a series of different answers. These included that Mr M had submitted incorrect information in his application and that he already held that maximum number of Tesco credit card accounts permitted. Mr M wasn't happy about what had happened or the service he'd received surrounding it, so he raised a complaint.

Tesco responded to Mr M's complaint and explained that Mr M had been given incorrect information as to why his application had been declined by all the advisors he'd communicated with and confirmed that the correct reason was because Mr M's application didn't meet their lending criteria. Tesco apologised to Mr M for the service he'd received and offered to pay £75 to him. Mr M wasn't satisfied with Tesco's response, or with how they'd handled his complaint, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they felt that the response Tesco had issued to Mr M already represented a fair resolution to what had happened. Mr M didn't agree, so the matter was escalated to an ombudsman 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.

I can't comment on any aspect of the final decision that was issued by this service in 2024. This means that the starting point for my assessment of this complaint is Mr M's application to Tesco for a credit card account following the issuance of that earlier final decision.

Tesco have acknowledged that they provided poor service to Mr M regarding the incorrect information they provided him about why his application hadn't been successful. It isn't in dispute that Mr M has been frustrated and inconvenienced by being given that incorrect information, but upon review I'm satisfied that the correct reason his application was declined – because it didn't meet Tesco's lending criteria – has now been provided to Mr M.

I appreciate that Mr M would like Tesco to approve his application. However, it's for Tesco to decide whether it's willing to provide credit to an applicant or not, and in this instance, Tesco applied their lending criteria to Mr M's application and made the decision not to offer a new credit account to him. It's ultimately Tesco's right to make that decision, and I wouldn't generally consider instructing a credit provider to extend a line of credit to an applicant whose application they have fairly assessed and declined.

It also wouldn't be expected that Tesco would provide Mr M, or any unsuccessful applicant, with the detailed and specific reason that their application was rejected. This is because the details of a credit providers lending criteria are commercially sensitive, and potentially open to manipulation if they enter the public domain.

However, this service has asked Tesco to confirm the exact reason that Mr M's application wasn't successful to us, so that we can assess the fairness of that decision. Tesco have done this and having reviewed their submission I'm satisfied that Mr M's application was assessed fairly by them, although as explained, I'm unable to divulge the details of that decision to Mr M, for the reasons outlined above. I appreciate that this may be frustrating for Mr M, but I hope he finds some reassurance knowing that someone independent and impartial has assessed this aspect of his complaint.

Mr M is unhappy that Tesco haven't removed the credit search they conducted on him from his credit file. But as per the final decision issued by this service regarding Mr M's earlier complaint, Tesco were only obliged to do so if Mr M was successful in his application. This means that because Mr M's application wasn't successful, having been fairly considered, Tesco weren't under any obligation to remove the credit search from Mr M's credit file.

Mr M has indicated that he is unhappy that Tesco are reporting incorrect information about him to his credit file because of his unsuccessful application. But I haven't seen any evidence that is the case, nor would it generally be expected that Tesco would update a credit file in that way following an unsuccessful credit application. However, if Mr M notes that incorrect information is being reported to his credit file, he can request that information be removed. And, if Mr M feels that Tesco are the party responsible for that incorrect information, he can take that matter up with them directly at that time.

Mr M also feels that the £75 compensation offered by Tesco doesn't go far enough to address the trouble and upset he'd incurred here. However, upon review, I feel that £75 is a fair compensation amount, and so I won't be instructing Tesco to pay any more.

In taking this position, I've considered that this compensation is being offered to Mr M because he was given incorrect information about why his application was declined and isn't in way being offered because Tesco feel that Mr M's application wasn't handled fairly. With this in mind, I've considered the impact of the incorrect information on Mr M alongside the general framework this service uses when assessing compensation amounts – details of which are available on this service's website. And, having done so, I feel £75 is a fair compensation amount.

Finally, Tesco also offered £25 to Mr M as compensation for how they handled his complaint. However, how a business handles a complaint doesn't fall within the remit of what this service can consider. As such, I'm unable to comment on that £25 offer, and I leave it to Mr M and Tesco to resolve between themselves.

All of which means that I don't feel that Tesco have acted unfairly towards Mr M in how they assessed or declined his credit application, or by not removing the credit search from his credit file as a result. I also feel that the £75 that Tesco have offered to Mr M for providing him with incorrect information about why his application was declined already provides a fair

outcome to that aspect of his complaint.

I realise this won't be the outcome Mr M was wanting, but it follows that I won't be upholding this complaint or instructing Tesco to take any further action here. I hope Mr M will understand, given what I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 23 December 2025.

Paul Cooper
Ombudsman