

The complaint

Mrs S complains Barclays Bank UK PLC trading as Tesco Bank (Tesco) acted unfairly when it defaulted and terminated her credit card account.

What happened

Mrs S says in October 2025 she received a letter from Tesco informing her that her credit card account was being terminated, giving her only two days to clear the outstanding balance of in excess of £6,000. Mrs S says the only other letter she'd received from Tesco prior to that, was a notice of arrears in August 2025. Mrs S says she had been in contact with the bank and set up a payment plan with them, and while she accepts she missed one of those payments, it's unfair due to that Tesco have terminated and defaulted her credit card account.

Mrs S says it was unreasonable of Tesco to ask her to clear her outstanding balance in such a short timescale, which was clearly unachievable given her financial position. Mrs S says Tesco were aware she was in financial difficulties and have only added to her stress and worry by taking the actions it has.

Mrs S wants Tesco to reinstate the account, remove any adverse entries on her credit file relating to this account and pay her compensation for the trouble and upset this matter has caused her.

Tesco says Mrs S's account went into arrears in September 2024 and regular notices of arrears regarding this were sent to her from that time, and a payment plan was agreed in May 2025. Tesco says Mrs S broke the payment plan in August 2025, so it sent her a default notice in September 2025 and as it had received no response to that, in October 2025 it terminated the account and advised Mrs S of that in writing.

Tesco says it has acted fairly here and it can't be held responsible for the fact Mrs S says she never received the default letter as she would have been aware of the arrears situation on the account, and the terms of the payment plan she entered into.

Mrs S wasn't happy with Tesco's response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator says from the information he had seen Mrs S's credit card account had been in arrears since September 2024 and a payment plan of £80 per month was agreed in May 2025, but the plan was broken in August 2025.

The investigator says Mrs S was aware of the plan but could see no evidence she made contact with Tesco when the payment was missed, despite being aware of the consequences if the payment plan was broken.

The investigator felt Tesco had acted reasonably when it issued the default notice in September 2025 and this was in line with the principals set by the Information Commissioner' Office (ICO) as Mrs S's account remained in arrears since September 2024.

The investigator says despite the fact Mrs S says she never received the default letter, he had seen a copy of the correctly addressed letter Tesco sent her and he couldn't hold it responsible if it wasn't received.

The investigator says the notice period Tesco gave Mrs S to clear the debt was reasonable as it was dated September 2025 and gave almost a month for her to take action to remedy the situation.

The investigator felt given Mrs S's financial situation at the time, it was likely in all probability that she wouldn't have been able to meet any further payment plan arrangements, so the default was inevitable in any event. The investigator felt Tesco had acted reasonably here.

Mrs S didn't agree with the investigator's view and asked for the matter to be referred 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.

Having done so, I won't be upholding this complaint and I will explain how I have come to my decision.

I was sorry to learn of the financial issues Mrs S is now facing and that is clearly a source of upset and worry for her.

When looking at this complaint I will consider if Tesco acted unfairly when it defaulted Mrs S's credit card and subsequently terminated her account in October 2025.

Mrs S's complaint centres around her view Tesco acted unreasonably when it defaulted her credit card account and subsequently terminated it in October 2025, simply because she had missed one payment under her payment plan and importantly that she never received the default notice Tesco says it sent her, in September 2025. Mrs S also feels Tesco haven't given her a reasonable amount of time to rectify matters as it's required to do.

While I understand that Mrs S feels strongly about this and I understand the points she makes here, I have to say I'm not fully persuaded by her argument and I will go on to explain why.

Mrs S feels she wasn't given a reasonable amount of time to clear her arrears before Tesco defaulted her credit card account and subsequently terminated the account in October 2025 and says she never received any communication about this, and didn't receive the default notice Tesco says it sent in September 2025.

From the information I have seen Mrs S went into arrears in September 2024 and Tesco sent regular Notice of Sum in Arrears letters, culminating in a payment plan for £80 per month being set up in May 2025, only for the plan to be broken in August 2025. It's worth saying here there is no evidence to show Mrs S contacted Tesco to discuss this missed payment, even though in all likelihood she would have been aware of the consequences of not meeting the payment plan.

I have seen a copy of the default notice Tesco sent Mrs S dated 8 September 2025, and it is clear from that letter that she needed to pay £312 by 5 October 2025 or the account would default and the agreement terminated. So as this wasn't acted upon I am satisfied reasonable notice was given to Mrs S here to have taken steps to rectify matters, but it

wasn't.

Mrs S says she never received the default notice letter in September 2025 and only the termination notice in October 2025, on receipt of which she cleared the arrears. What I would say here is the letter Tesco sent was correctly addressed to her and I can't hold it responsible for any postal issues that may have resulted in its non-receipt, I am satisfied that the correct notification here was by way of letter in the mail given its importance.

While I understand that Mrs S took action to clear the arrears in October 2025, it's worth mentioning that arrears had existed since September 2024 and she would have been aware of that. Additionally Mrs S would have been aware of the terms of the payment plan she agreed to, which was in part after all, to avoid a default occurring in the future.

So when Mrs S failed to make the payment to that plan in August 2025, it's difficult to think that she wouldn't have understood the need to have contacted Tesco at that time, without there being any further consequences.

So while Mrs S may not agree I am satisfied Tesco did provide sufficient notification to Mrs S of its intention to default the account unless the arrears were cleared, or the terms of the payment plan weren't met.

While Mrs S will be disappointed with my decision I won't be asking anymore of Tesco here.

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 Mrs S to accept or reject my decision before 10 February 2026.

Barry White
Ombudsman