

The complaint

Mr B complains that Barclays Bank UK PLC trading as “Tesco Bank” didn’t update his credit file to show his credit card account had been closed.

What happened

I won’t repeat all the facts here, as those aren’t in dispute. I have reviewed the entire file and if I don’t comment on something, it isn’t because I haven’t seen it - it’s that I haven’t deemed it relevant. I mean no discourtesy by this, it’s merely to reflect the informal nature of our service.

In February 2018, Tesco Bank applied a “re-issue” decline to Mr B’s credit card account, effectively meaning Tesco Bank was not issuing any further cards for the account and the balance needed to be settled. Tesco Bank said once the balance was settled, it would close the account.

Mr B says in July 2018 he settled his account in full, and so, the account was supposed to be closed with immediate effect.

However, in September 2025, when discussing a different account with Tesco Bank, it came to light that the credit card account which had been paid off in 2018, hadn’t in fact been closed. Mr B says Tesco Bank told him that this issue has impacted other customers too.

Mr B says this has been negatively affecting his credit file since 2018, when the account should have been closed. And that the Credit Reference Agency (“CRA”) Mr B obtained his report from, made a comment to say Mr B’s credit file will now improve due to the corrective action.

Tesco Bank upheld Mr B’s complaint in its final response letter because it agreed it failed to close Mr B’s account after he cleared the balance. It said this means the account continued to be reported as open to the CRAs. When reporting to the CRAs, Tesco Bank said the account balance was reported as zero and payments as up to date. So, it may have benefitted Mr B’s account. But as it couldn’t be sure there wasn’t any negative impact, in addition to agreeing to close the account and update the CRAs, Tesco Bank also said it would pay Mr B £100 for what had happened.

Mr B didn’t accept this and says it doesn’t make up for the years of negative impact on his credit file. He says, to put things right, he’d like a weekly compensatory figure of around £15 to £25 per week. He says this totals around £5,640 to £9,400. Later, Mr B suggests this compensation figure should possibly be higher because he says, when Tesco Bank removed the entry from his credit file following his complaint, it appears that also negatively impacted his credit file.

Mr B also raised that when Tesco Bank made the decision to withdraw his credit facility, he wasn’t informed nor given any notice. He says, according to his best recollection, it was only by chance when calling Tesco Bank that he found out about this.

Our Investigator didn't uphold this complaint. In summary, they said the terms and conditions of the account allow Tesco Bank to withdraw credit facilities and, whilst it made an error in not subsequently closing the account, its offer of £100 goes far enough.

Mr B didn't agree. In summary, he said Tesco Bank had admitted it had an ongoing, known and systemic issue with its credit reporting mechanisms, specifically the "re-adding of credit information back to a person's credit file..." Although Tesco Bank and our service assert a satisfied, closed account is positive, the subsequent, erroneous change in the reporting status of this account was the sole change that directly and dramatically impacted his credit score. Which has impaired his ability to obtain essential financial facilities which could include mortgage, credit cards and loans. Mr B says he fulfilled his obligations by settling the account and this should have meant Tesco Bank should have marked his account as settled on his credit file. Not doing so impacted him and, in summary, Mr B felt the compensation offered wasn't anywhere near enough, given what had happened.

The Investigator didn't change their opinion on the matter but offered to review matters if Mr B could provide any evidence to show the impact Tesco Bank's error had had on him.

In response and in summary, Mr B said, "...the repeated processes of removal, subsequent re addition, and final closure of this account have demonstrably resulted in multiple hard searches and corresponding negative changes to my credit profile..." He also asked for detailed instructions on how to access historical data from his credit file in order to prove any denied credit applications. Mr B said carrying out a public domain search shows Tesco Bank has been aware of the systemic issues it had been having and yet hadn't proactively contacted him, resulting in breaches of FCA regulations and banking codes of conduct. What had happened has caused him considerable financial stress and, some cases, demonstrable health impacts. By not telling him it was not reissuing his credit card, Tesco Bank breached its contractual obligations. Mr B says he only became aware of the change months later, after his own enquiries.

Because the parties couldn't agree, the matter 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.

Firstly, I want to acknowledge that although it appears this complaint may have been brought outside the time limits allowed for complaining to this service, Tesco Bank has given its consent for us to consider it. Therefore, I'm satisfied I have the jurisdiction to consider the merits of this case.

Having carefully considered Mr B's complaint, whilst I appreciate this will be disappointing for him, I am not upholding this complaint, broadly for the same reasons as our Investigator. I'll explain my thoughts.

It's important to explain that this service is not the regulator – that's the Financial Conduct Authority ("FCA"). That means it isn't our role to punish businesses. Instead, it's my role to impartially review matters and, where a business has made an error, say how it should put things right for its customer. That will depend on the impact, if any, that a business' error has had.

It's ultimately Tesco Bank's decision who it provides accounts to – or in this instance, who it continues to provide an account to. As our Investigator has explained, Tesco Bank was acting in line with the terms and conditions of the account when it decided not to reissue Mr

B's card and request his balance was paid down. In its submissions to this service, Tesco Bank has explained it made its decision due to the sustained arrears on Mr B's account. I've seen evidence of those arrears as Tesco Bank has supplied the relevant account statements. So, I don't think Tesco Bank acted unreasonably here when deciding not to reissue Mr B's card.

Mr B says he didn't receive notice that his card wasn't being reissued and, according to his best recollection, it was only by chance that he became aware of this when he contacted Tesco Bank some months later. Tesco Bank has said it would have sent him a letter about the matter. It hasn't provided this service with evidence of that letter, but I don't find that unreasonable, due to the time that's passed. But, even if there were issues with the sending or receiving of the letter *and* if I could say that was because of something Tesco Bank did wrong, it seems Mr B did find out his card wasn't being reissued, some months later. And, I haven't seen any evidence to show that any potential delay in finding out he'd no longer be able to use his account, impacted him.

So, I don't think Tesco Bank did anything wrong by deciding not to reissue Mr B's credit card. And nor do I think that any potential problems (I haven't seen evidence to say there were any) with being notified about this, caused Mr B any detriment. I don't therefore uphold these points.

Turning now to Mr B's complaint about the closure and reporting of his account to the CRAs. There isn't any dispute between the parties that Tesco Bank made an error here. It accepts it should have closed the account in 2018, when Mr B cleared the balance. And, as a result of this, it hasn't reported the account correctly to the CRAs. For the avoidance of doubt, I agree Tesco Bank made an error here.

I know Mr B believes that the issue he's experienced is widespread – and it appears he may have, to some extent, been led to believe that by one of Tesco Bank's agents. Because of this, Mr B also believes that Tesco Bank may have been aware of the problem with his account and that, as a result, it failed to proactively disclose this to him or take action to put matters right. But I'm satisfied that isn't what's happened here. In its submissions to this service, Tesco Bank recognised that, in earlier conversations, its agent had suggested to Mr B that the issue with his account was widespread. However, Tesco Bank has explained that whilst it recently experienced a reporting issue with some older closed accounts, this issue wasn't the reason for the problems with Mr B's account. Rather, his account simply wasn't closed when it should have been – and it's this that impacted the continued reporting on his credit file, as opposed to anything else. This is supported by what Mr B says about what he understood the wider issue to be – because he says that involved the re-adding of credit information to someone's credit file. When, here, it appears Mr B's information was never removed in the first place.

So, I'm not persuaded that Tesco Bank failed to proactively act here. I don't think it was aware it had made the error on Mr B's account, until Mr B notified it recently. At which point, it took steps to put things right in a timely manner. I can also see that Tesco Bank set its position out clearly in its final response letter to Mr B, so, any earlier conversation about widespread issues ought to have been put right at that point.

It's right to say however that Tesco Bank did report to the CRAs for some years that this account was still active, when it shouldn't have been. Tesco Bank should have closed the account and subsequently reported the account to the CRAs as closed and settled in 2018. Tesco Bank should have also removed the reporting of the account entirely from Mr B's credit file in 2024; six years later. Instead, the account showed as open on Mr B's credit file from 2018 until 2025. And Tesco Bank continued to report the balance and account status to

the CRAs during this time, although it explained the balance was reported as zero and payments as up to date.

So, I've thought carefully about any impact this may have had on Mr B. Mr B claims this has had a big impact on him – he mentions financial distress, declined credit applications and even health issues. But much of what he has said appears hypothetical at times and I simply haven't seen any evidence that he's experienced any significant detriment. Nor do I think it's likely, based on what's happened and the evidence I have seen. I appreciate Mr B asked our Investigator for "detailed" guidance on how to prove this. But I'm satisfied, with access to his credit report, Mr B would have access to any evidence of any hard searches or other credit file damage he says Tesco Bank's error has caused. And, he would have been notified directly about any declined credit applications, usually in writing. But Mr B hasn't provided any such evidence, despite being given the opportunity to do so.

I can only award for any actual impact Tesco Bank's error has had on Mr B – and I'm not persuaded there has been any – or at least, no significant impact. I say this because whilst Tesco Bank should have reported Mr B's account as closed in 2018, even if it had done so, it would have still continued to report to the CRAs for a further six years – which would have included information about the arrears he'd accrued. It wasn't required to remove the account entirely from reporting until 2024 – only a year before it did so. And even though it remained on Mr B's credit file for around an additional year, it's likely any negative reporting would have dropped off by then – given the last missed payments/arrears on the account occurred in 2018.

With all of this in mind, I don't think that the account being open on Mr B's credit file is likely to have been the cause of any declined credit applications or other issues, as Mr B has claimed. In fact, an open account being reported which has no balance, as our Investigator has set out, is likely to have benefitted Mr B's creditworthiness. This is supported by the fact Mr B has explained that the recent removal of this account from his credit file appears to have negatively impacted his credit file – in other words, the presence of the account on his credit file was having a positive impact. I take Mr B's point that had Tesco Bank removed the entry from his credit file when it should have done, he wouldn't have experienced that detriment now. But if the removal of the account from Mr B's credit file was the cause of any negative impact, it's something that would have always occurred, even if Tesco Bank hadn't made an error – and whether it happened when it did or a year earlier, I don't think makes a difference here.

I've reviewed the screen shots Mr B has provided of his credit report, via one of the CRAs. It says that the status of Mr B's Tesco Bank credit account improved in September 2025. I think Mr B takes this to mean that any corrective action Tesco Bank took recently, improved his credit score and therefore, this would have happened sooner had it not made the error. But I haven't seen any further information about why the CRA noted the status improved at that time. I can see the account was still being reported in September 2025, so it's possible Tesco Bank updated the account to show it as settled before removing it entirely from the CRAs.

In any event, even if marking the account as settled or whatever updates Tesco Bank carried out in September 2025 improved the status of the account, I think this is offset by the fact Mr B did also benefit for some years, from the account *not* being marked as settled or closed, sooner. Because that showed an account with a relatively high limit that wasn't being used. Moreover, even if Tesco Bank had reported any negative information beyond the time it should have done (which, to be clear, I haven't seen evidence of) then I'm satisfied, for the reasons explained above, that Mr B hasn't suffered significant detriment as a result. For these reasons, I don't uphold Mr B's complaint about the impact on his credit file, or otherwise, either.

Overall, I'm not upholding Mr B's complaint, for the reasons explained. I'm satisfied that as soon as Tesco Bank was made aware of its error, it took reasonable steps to put things right. So, I'm not telling it to do anything further. If the £100 it offered hasn't already been paid, should Mr B wish to accept it, he can contact Tesco Bank directly to arrange this.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 30 April 2026.

Sophie Kyprianou
Ombudsman