

## **The complaint**

Barclays Bank UK PLC trading as Tesco Bank provided Mr G with a credit card in March 2017. It had a credit limit of £2,500 which was later increased to £3,500 the following October. Mr G says the account opening limit and following increase were provided irresponsibly.

## **What happened**

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my 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.

There are time limits for referring a complaint to the Financial Ombudsman Service, and Tesco thinks this complaint was referred to us too late. Our investigator explained why he felt it was reasonable to interpret the complaint as being about an unfair relationship as described in Section 140A of the Consumer Credit Act 1974 (s.140). He explained to both parties why that meant the complaint had been referred to us in time.

For the avoidance of doubt, I agree with our investigator that I have the power to look at the complaint on this basis. I acknowledge HSBC still doesn't agree we can do so but as I don't think it should be upheld, I don't intend to comment on this further.

Given what Mr G has complained about, I need to consider whether Tesco's decision to lend to him and increase his credit limits, or its later actions, created unfairness in the relationship between them such that the bank ought to have acted to put right the unfairness – and if so whether it did enough to remove that unfairness.

Mr G's relationship with Tesco is therefore likely to be unfair if it didn't carry out reasonable affordability checks and doing so would have revealed its lending to be irresponsible or unaffordable, and if it didn't then remove the unfairness this created somehow.

We've set out our general approach to complaints about unaffordable or irresponsible lending on our website, and I've taken this into account in deciding this complaint.

I've decided the credit was provided fairly because:

- I think the checks Tesco did before providing the credit were reasonable and proportionate given the credit limits it offered and what it knew about Mr G's financial situation.
- When he applied for the credit card, Mr G declared he was employed full time on an income of £30,000 (£2,400 per month). He was single, a tenant and had two dependents.

- Tesco carried out a credit check which showed he had debt elsewhere totalling £13,600 or so consisting of £7,600 revolving debt (such as credit cards) and £6,000 on loans. The payments required to these accounts came to £340 per month and they were all up to date.

It estimated his housing and living costs as £1,440. So it calculated that he had a monthly disposable income of around £600. It felt an opening credit limit of £2,500 was affordable for Mr G.

- Tesco monitored his account performance and credit report and in October 2017, to see if it was prepared to offer an increase. Through a credit reference agency, it found Mr G's income had increased to £2,730 per month. His debt had increased slightly too, to around £17,500 – an increase of £4,000, much of which was this Tesco card. He now had £13,000 of revolving debt and his loans had decreased to £4,500. All his accounts were up to date.

Tesco calculated the payments to those creditors as being £855 and estimated his housing and living costs as £1,400. Using this data, it calculated he had a monthly disposable income of £475. It felt an increase of £1,000 (to £3,500) would be affordable for him.

- Based on the information Tesco gathered and what it knew about Mr G's circumstances, there was nothing to suggest he was likely to be unable to sustainably repay what he was being lent either at account opening or when Tesco increased his credit limit.
- I've carefully read and considered everything both parties to the complaint have said, but I've not seen anything to suggest that Tesco acted unfairly in any other way.

This means I don't think Tesco did anything wrong when it provided the credit card and credit limit increase to Mr G.

I've also considered whether the relationship might have been unfair under s.140. However, for the reasons I've already given, I don't think Tesco lent irresponsibly to Mr G or otherwise treated him unfairly. I haven't seen anything to suggest that s.140 or anything else would, given the facts of this complaint, lead to a different outcome here.

I know this isn't the outcome Mr G hoped for, and I acknowledge that he says another business has offered him compensation for a similar complaint. That complaint doesn't appear to have been considered by this service, but in any event, that business was entitled to reach the decision it felt was fair in the circumstances and is not for me to comment on. For the reasons above, I'm not asking Tesco to do anything to put things right.

### **My final decision**

My final decision is that I'm not upholding Mr G's complaint about Barclays Bank UK PLC trading as Tesco Bank.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 13 January 2026.

Richard Hale

**Ombudsman**