

## **The complaint**

Miss A complains Barclays Bank UK PLC trading as Tesco Bank (Tesco) unfairly defaulted and terminated her credit card account.

## **What happened**

Miss A says Tesco defaulted and terminated her credit card account even though she had paid £650 into her account in October 2025. Miss A says she wasn't aware her account was going to be defaulted and was unable to contact Tesco as she was unwell. Miss A wants Tesco to remove the default registered on her credit file.

Tesco says Miss A had paid in £2,000 into her credit card account in January 2025 following a telephone call with her concerning her previous arrears. Tesco says it agreed to place the account on hold for one month and then placed a three month interest waiver on the account pending a further review with her.

Tesco says between March 2025 and July 2025 it sent multiple letters, texts and emails to Miss A but didn't receive a response, and as no payments had been made into her account, it issued a default and termination notice in July 2025. Tesco says it defaulted and terminated the credit card account in July 2025 and placed a default notice on her credit file in line with its obligations. Tesco says although Miss A paid £650 into her account, that wasn't until October 2025, after the account had been defaulted. Tesco says it wasn't made aware of any medical issues from Miss A and it feels it has acted correctly here.

Miss A 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 as no payment was received into Miss A's credit card account since January 2025, a default notice was correctly issued by Tesco and this was in line with guidance set by The Information Commissioner's Office (ICO). The investigator says while Miss A had paid £650 into her account this was after the default had already been registered.

The investigator pointed out Tesco are obliged to accurately record its customers account activity with the credit reference agencies and the default accurately reflected Miss A's account. While Miss A provided the investigator with evidence that she had been signed off work during this period, he felt Tesco had acted correctly here.

Miss A 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 Miss A was suffering from stress and anxiety and I can understand that this must have been a difficult time for her. When looking at this complaint I will consider if Tesco acted reasonably when it defaulted and terminated Miss A's credit card account in July 2025.

Miss A's complaint centres around her view Tesco didn't act fairly when it defaulted her credit card account as she had been unwell, so wasn't able to contact them before it took the actions it did. While I understand the points Miss A makes here, I'm not fully persuaded by her argument and I will go on to explain why.

From the information I have seen Miss A had a history of arrears on her credit card account with Tesco, leading up to a conversation with them in December 2024 when a one month hold was placed on her account pending a payment to clear the arrears. I can see that in January 2025 Miss A paid £2,000 into her account as part of the agreement, which included a short term interest freeze.

In fact this was the last time Miss A made contact with Tesco until October 2025, when she paid in £650. This was despite the fact multiple letters, emails and text messages were sent by Tesco between March and July 2025, reminding her to contact them to set up a payment arrangement or pay the arrears owed, and what the consequences would be if she didn't.

While Miss A has provided this service with evidence that she had been signed off work for much of this time, I can't see she ever made contact with Tesco to let them know this, and so I can't say Tesco could have been aware of her health issues. The fact remains Tesco did write to her on multiple occasions by various means and it remains Miss A's responsibility to manage her credit card account in line with its terms and conditions, or at the very least explain to Tesco her situation, but she didn't.

So while I have some sympathy with Miss A, I can't say Tesco made any errors in recording the default when it did, as it does have a regulatory obligation to accurately record its customers account activity with the relevant credit reference agencies. While Miss A will be disappointed with my decision, I won't be asking anymore of Tesco.

### **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 Miss A to accept or reject my decision before 18 February 2026.

Barry White  
**Ombudsman**