

## **The complaint**

X complains about a late payment marker reported to the credit reference agencies by Barclays Bank UK PLC trading as Tesco Bank.

## **What happened**

X holds a credit card with Tesco Bank. X says they were going abroad so they cancelled their direct debit in order to be able to pay as much as they wished towards the credit card account and made a manual payment instead. X says on their return they realised the manual payment made had been refunded, alongside the direct debit having been cancelled. X made payment towards the account on their return from abroad. As payment hadn't been made on time, Tesco Bank applied a £12 late payment fee to the account alongside reporting a late payment to the credit reference agencies (CRA's).

X raised a complaint to Tesco Bank and said the payment was missed because Tesco Bank reversed the payment which had been made manually. X asked for the adverse information recorded on the credit file to be cleared. X says during their telephone conversation Tesco Bank had agreed to reverse the late payment fee and remove the marker from the credit file.

Tesco Bank looked into the complaint and didn't find it had treated X unfairly. It said it issued a statement on 6 April 2025 which notified X that payment of £34 had to be made by 1 May 2025. Payment was not received and X had been notified that the direct debit had been cancelled, and payment was required prior to this. As payment was not made on time, Tesco Bank found a late payment marker had been fairly applied to X's credit file. Tesco Bank said the late payment fee was reversed as a gesture of goodwill and it had not told X that the credit file would be cleared.

Unhappy with this outcome, X raised a complaint with our service. Our investigator said that Tesco Bank is required to report accurately to the CRA's and as the payment had been missed, she did not find it had treated X unfairly. She further said she had listened to the phone call and Tesco Bank had not promised to remove the marker as X had thought.

X then asked for an ombudsman to consider his complaint. X said he had two calls with Tesco Bank where it promised to take the marker off his credit file, he always makes payment towards his credit card on time, and it was Tesco Bank's fault this occurred as he cancelled his direct debit but made a manual payment which it reversed. So, the complaint has now 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.

I would like to start by saying that I have provided a brief summary of the events that occurred. I intend no discourtesy by this and can assure both parties that I have taken all the information provided into consideration when reaching a decision on this complaint.

In this decision, I'll concentrate my comments on what I think is relevant. If I don't comment on a specific point, it's not because I've failed to consider it, but because I don't think I need to comment in order to reach a fair and reasonable outcome. Our rules allow me to do this, and this reflects the nature of our service as a free and informal alternative to the courts.

X was issued with a statement on 6 March 2025 in which a £34 minimum payment was required to be made by 31 March 2025. X had a direct debit set up at this time. On 31 March 2025, X made a manual payment of £34 towards the account, and this cleared the minimum payment owed towards the statement issued on 6 March 2025.

A direct debit of the same amount was also taken on 31 March 2025; however, this payment was reversed as X cancelled the direct debit on 1 April 2025. However, as one of the two payments made during this time went through, the statement for this month was paid. Tesco Bank sent out a letter on 1 April 2025 informing X that the direct debit had been cancelled.

Tesco Bank then issued another statement on 6 April 2025 in which a £34 minimum payment was required to be made by 1 May 2025. I understand X was abroad during this time, and no payment was made towards the account as the direct debit was not in place.

I understand X says he made a manual payment towards the account, which was reversed by Tesco Bank, but I cannot see that any payment was made towards the account during this month. The manual payment had been made to settle the payment due for the previous months' statement. As the amount due was the same during both months, I can see where X's confusion about feeling like he had made the payment has come from.

Tesco Bank then added a late payment fee of £12 to the account on 1 May 2025. This was correctly applied as no payment had been made towards the statement issued on 6 April 2025.

X phoned Tesco Bank to discuss this on their return from abroad and made a payment towards the account around this time. I have listened to the recording and reviewed the call notes for the other calls made, and I cannot see that Tesco Bank promised X that the credit file would be cleared of the late payment marker. During the phone call that I listened to, X was aware that payment had not been made on time. It was agreed that the late payment fee would be removed however this was being done as a gesture of goodwill only as there had been no bank error.

Based on the information available to me, I cannot see that Tesco Bank treated X unfairly. Payment was not made on time, and a late payment marker was correctly recorded with the CRA's as a result. Tesco Bank is obliged to report accurately to the CRA's about how a credit account is handled and it has done so on this occasion. There is no evidence to support a claim that the payment was missed due to a bank error or that Tesco Bank promised to clear the adverse information from X's credit file. I appreciate this outcome will be disappointing for X however I do not find Tesco Bank has treated X in an unfair or unreasonable manner.

### **My final decision**

My final decision is that I do not uphold X's complaint against Barclays Bank UK PLC trading as Tesco Bank.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 19 March 2026.

Vanisha Patel  
**Ombudsman**