

## **The complaint**

Mr H complains that Barclays Bank UK PLC, trading as Tesco Bank, unfairly administered his credit card.

## **What happened**

Mr H holds a credit card with Tesco Bank; it was opened in July 2025, and Mr H took advantage of a 0% balance transfer offer. Mr H made some purchases using the card, and he made payments towards the balance quickly to avoid paying interest. Despite his efforts though, Mr H says he has been charged some interest – and he also had some issues with changing his statement date (and, as such, the payment due date). So, he complained.

In response, Tesco Bank partially upheld Mr H's complaint – specifically for the issues he'd encountered with the statement date. Tesco bank said it couldn't be sure that Mr H had been given correct advice, so it apologised and said it would make sure no adverse information was recorded against him with Credit Reference Agencies ("CRAs"). It also paid him £75 compensation for the inconvenience. Tesco Bank didn't agree with Mr H's concerns about allocation of payments or being charged interest, though. It said, in summary, that Mr H had made payments before his next statement had been produced; essentially, Mr H's payments had been made too early.

Mr H didn't accept Tesco Bank's response, so he contacted this Service for an independent review of the matter. An Investigator here looked at what had happened, but they didn't think Tesco Bank needed to take any further action. They said:

- Tesco Bank had rightly acknowledged that something may have gone wrong when Mr H tried changing his statement date. It had paid an appropriate amount of compensation and ensured no negative information would be reported to CRAs. That was all fair and reasonable in the circumstances.
- There wasn't evidence to support Tesco Bank wrongly charging interest or misallocating Mr H's repayments. Rather, it appeared Mr H was indeed making payments for purchases he hadn't been billed for yet – before the corresponding statement had been produced – and, as such, when he made such payments, they were applied to balances set out in the previous statement.
- Overall, Tesco Bank had done enough to recognise the inconvenience it had caused in respect of the statement date, and it didn't need to take any further action regarding Mr H's payments or any interest it had charged him.

Mr H disagreed. He thought Tesco Bank weren't acting pragmatically, and he requested an Ombudsman's decision. So, as no agreement has been reached, Mr H's complaint 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.

At the outset, I'll say that I know this matter means a great deal to Mr H; so, it's important that he knows I have read everything he's said and provided. I haven't, though, commented on each and every point. Instead, I've been deliberately concise here. I don't intend any discourtesy by addressing the matter in that way; our role is to be informal, and my approach is simply to align with that purpose.

From what I've seen, I think Mr H was trying to avoid incurring interest by quickly paying off any other spending on the card while leaving his balance transfer at its 0% rate. That's understandable, and I can appreciate his frustration when he says he's been charged some interest given his entire methodology and approach was trying to avoid that. But while this'll be disappointing for him, I don't think Tesco Bank has acted unreasonably here.

To explain, and as has already been outlined, I think Mr H was paying too early. Credit cards have monthly statements, and these show what Mr H needs to pay and by when. I accept Mr H was trying to pay off any retail spending quickly, and I know he thinks payments should be applied to spending in real time, but the fact is that the mechanics of his credit card don't operate in such a way.

When Mr H paid £1,150 towards his credit card in September, for example, he did so around four days before his September statement was produced; given his statement hadn't been produced, Mr H technically hadn't yet been billed for the transactions contained within that statement. So, the payment he made went towards any balances remaining from his *previous* statement – some of which was the amount from his balance transfer, even if that was intended to remain sitting idle at a promotional 0% rate. This is laid out in Tesco Bank's terms: "*We always use your payments to pay off items which have appeared on a statement you've received, before anything that hasn't yet appeared on a statement.*"

Underpinning Mr H's argument here, I think, is a fundamental disagreement with how the credit card operates. I understand his view that the pragmatic thing to do is to pay off what's spent in real time, and I don't at all doubt he was acting with the best intentions to repay what he owes, but even so I can't compel Tesco Bank to change the way its credit card operates. It's simply not within my power to do so. I'll add that there's nothing unusual in the way Tesco Bank's credit card functions; this billing method is common practice.

Overall, I've seen nothing to persuade me that Tesco Bank has misallocated Mr H's repayments – or that it's erroneously charged him interest. Instead, I think what's happened is a misunderstanding over how the credit card operates. Aside from that point, I know Mr H wasn't happy with how Tesco Bank dealt with his request to change his statement date. I agree, things didn't go as well as they should have and I think Tesco Bank was right to take some action to put things right. In all the circumstances, I'm satisfied that £75 compensation – and the assurance that no adverse information will be recorded with CRAs – is a fair and reasonable remedy.

In closing then, what I've set out here will likely disappoint Mr H – and I am sorry for that – but it's for the reasons I've explained that I don't think Tesco Bank needs to take any further action. It follows that I don't uphold Mr H's complaint.

### **My final decision**

My final decision is that I don't uphold Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 15 May 2026.

Simon Louth  
**Ombudsman**