

The complaint

Mr A complains that Barclays Bank UK PLC trading as Tesco Bank (“Tesco Bank”) irresponsibly provided him with a credit card, and that they failed to act appropriately when he subsequently experienced severe financial difficulties.

What happened

Mr A was provided with a credit card by Tesco Bank, with a credit limit of £3,800, in February 2022. He complained to Tesco Bank in 2025 saying they had irresponsibly lent to him and had failed to monitor his account from July 2022 when it was becoming apparent he was struggling with his finances.

Tesco Bank didn’t agree they had lent irresponsibly and said Mr A’s account only started showing signs that he might be struggling financially in 2024. They said they’d then taken action to assist Mr A by reducing the credit limit and deciding not to issue a new card when his previous one expired in February 2025.

Our investigator didn’t think Tesco Bank had lent to Mr A irresponsibly. And he felt they had offered Mr A reasonable and appropriate support with his financial difficulties.

Mr A didn’t agree. He said our investigator had upheld a separate case with a different lender on the basis that he had relied on his overdraft to repay credit commitments and for everyday living. Mr A also said Tesco Bank had a continuous duty to monitor his creditworthiness and by November 2022 his credit file showed a £7,000 loan with another lender and £2,600 in maxed-out overdrafts. He said Tesco Bank failed to reduce his limit or offer breathing space at that point. And Mr A said he had borrowed from overdrafts to pay the interest on this credit card which had a catastrophic impact on his mental health.

As the matter remains unresolved, Mr A’s complaint has been passed to me to review.

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’ve firstly considered the lending application. We’ve set out our general approach to complaints about unaffordable and irresponsible lending - including the key relevant rules, guidance and good industry practice – on our website. I’ve used this approach in deciding this part of Mr A’s complaint.

Tesco Bank needed to take reasonable steps to ensure they didn’t lend irresponsibly. In practice this means they should have carried out proportionate checks to make sure Mr A could afford to repay what he was being lent in a sustainable manner.

These checks could take into account a number of different things, such as how much was being lent, the repayment amounts and the consumer’s income and expenditure.

With this in mind, in the early stages of a lending relationship, I think less thorough checks

might be reasonable and proportionate. But certain factors might point to the fact that Tesco Bank should fairly and reasonably have done more to establish that any lending was sustainable. These factors include:

- The lower a consumer's income (reflecting that it could be more difficult to make any credit repayments from a lower level of income).
- The higher the amount due to be repaid (reflecting that it could be more difficult to meet a higher repayment from a particular level of income).
- The greater the frequency of borrowing, and the longer the period of time during which the customer has been indebted (reflecting the risk that prolonged indebtedness may signal the borrowing had become, or was becoming, unsustainable).

There may also come a point where the lending history and pattern of lending itself clearly demonstrates the lending was unsustainable.

I've kept all this in mind when deciding this part of Mr A's complaint.

Mr A's account was opened in February 2022 with a credit limit of £3,800. The credit card Tesco Bank provided Mr A with was a revolving credit facility. This meant Tesco Bank was required to understand whether Mr A could repay £3,800 within a reasonable period of time.

I've looked at Tesco Bank's records from the application. This shows Mr A declared he had an annual income of £22,800. The records also show Tesco Bank used statistical data from the Office of National Statistics to estimate Mr A's monthly expenditure as being £1,331. As Mr A had declared he was single with no dependants, and was in full time employment, I think Tesco Bank was entitled to use that statistical data (which isn't an uncommon method for lenders to use to estimate expenditure) and apply it as part of their overall lending assessment.

Tesco Bank also carried out a credit check before agreeing to provide the credit card which showed Mr A had no current credit commitments. Furthermore, I've not seen anything in these checks which showed Tesco Bank would have been aware Mr A had any significant adverse information such as defaulted accounts or County Court Judgments recorded against him.

What is important to note is that a credit limit of £3,800 wouldn't have required huge monthly payments to clear the full amount owed within a reasonable period of time. Overall, I'm satisfied that the evidence from the time suggests it wasn't unreasonable for Tesco Bank to conclude that Mr A could afford the repayment to a credit limit of £3,800.

I note Mr A said our investigator upheld a separate case against a different lender on the basis that Mr A was heavily reliant on his overdraft. But that has no bearing on whether I think Tesco Bank acted fairly in accepting Mr A's application as I am assessing the specific circumstances of that application. In my view, there wasn't anything immediately obvious in the information that Tesco Bank had, which meant it should have asked Mr A to provide supporting evidence, such as his bank statements, before providing him with a credit card, with this limit, in this instance.

So, I don't think Tesco Bank did anything wrong when deciding to lend to Mr A. In my view, they carried out reasonable and proportionate checks to show the repayments would be affordable and sustainable.

I've gone on to consider how Tesco Bank acted after they provided the credit card to Mr A. He said to our investigator that they should have realised he was becoming overindebted and would struggle to maintain payments to his credit card, towards the end of 2022.

I understand Mr A by this point had just taken out a loan for £7,000 with a different lender and was maxing out his overdrafts. However, I don't think Tesco Bank could have automatically assumed that Mr A was in danger of struggling to maintain his credit card repayments, or in becoming over-indebted even further by continuing to use the credit on his card. I would be more persuaded of this, had for example, Mr A's credit card account showed signs of financial stress. Mr A was though, on the surface at least, continuing to maintain his account well. He wasn't exceeding his credit limit at that time and in November 2022 for example, he cleared the balance down to almost zero. I appreciate this might have been because Mr A was using an overdraft, but Tesco Bank wouldn't have known that, or should have assumed that, and I don't think it was incumbent on them to determine how the credit card account was being repaid.

I've seen that Tesco Bank took a number of steps to help Mr A with his financial situation. They froze interest on the account in February 2024 to December 2024 and again from April 2025 to at least the last batch of statements that I've seen in November 2025. I've also seen from Tesco Bank's notes that they tried to contact Mr A to try to assist him with his situation on several occasions such as asking for income and expenditure details and in considering details given of Mr A's circumstances from a debt management company. Tesco Bank also reduced the credit limit in an effort to help Mr A.

Overall, I find Tesco Bank acted appropriately when considering Mr A's financial and personal circumstances. I appreciate of course how difficult those circumstances have been for Mr A and I'm really sorry to hear that this has had such an impact on him. I would just remind Tesco Bank to ensure they consider Mr A's situation appropriately if a balance is still outstanding for this account including appropriate repayment plans if needed as well as other appropriate forbearance options, such as for example allowing Mr A to repay what is now owed with no further interest or fees. It does seem from the evidence I've seen Mr A is very vulnerable and that his situation won't likely improve in the near future.

Finally, I've considered whether the lending relationship between Tesco Bank and Mr A might have been unfair to Mr A under section 140A of the Consumer Credit Act 1974 ("CCA").

However, for the reasons I've explained, I've not been persuaded that Tesco Bank irresponsibly lent to Mr A or otherwise treated him unfairly in relation to the account. And I haven't seen anything to suggest that section 140A CCA or anything else would, given the facts of this complaint, lead to a different outcome here. So, I'm not upholding this complaint. I appreciate this will be very disappointing for Mr A. But I hope he'll understand the reasons for my decision.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 9 April 2026.

Daniel Picken
Ombudsman