

## **Complaint**

Mrs T has complained that Barclays Bank UK PLC (then trading as “Tesco Bank”) irresponsibly provided a credit card to her. She says that card was unaffordable and has led to ongoing difficulty.

## **Background**

In September 2018, Tesco Bank provided Mrs T with a credit card, which had a limit of £3,200.00.

In June 2025, Mrs T complained saying that the credit card Tesco Bank provided was unaffordable and led to ongoing difficulty.

Tesco Bank did not uphold Mrs T’s complaint. It didn’t think that it had done anything wrong when agreeing to lend. Mrs T remained dissatisfied and chose to refer her complaint to our service as a result. When responding to our request for its file on Mrs T’s complaint, Tesco Bank told us that it believed Mrs T had complained too late.

One of our investigators reviewed what Mrs T and Tesco Bank had told us. He thought that he hadn’t seen enough to be persuaded that Tesco Bank failed to act fairly and reasonably when providing Mrs T with her credit card. So the investigator didn’t recommend that Mrs T’s complaint be upheld.

Mrs T disagreed with the investigator’s conclusions and asked for an ombudsman to look at her complaint.

## **My findings**

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

### *Basis for my consideration of this complaint*

There are time limits for referring a complaint to the Financial Ombudsman Service. Tesco Bank has argued that Mrs T’s complaint was made too late because she complained more than six years after the decisions to provide the credit card as well as more than three years after she ought reasonably to have been aware of her cause to make this complaint.

Our investigator explained why it was reasonable to interpret the complaint as being one alleging that the relationship between her and Tesco Bank was unfair to her as described in s140A of the Consumer Credit Act 1974 (“CCA”). She also explained why this complaint about an allegedly unfair lending relationship had been made in time.

Having carefully considered everything, I’ve decided not to uphold Mrs T’s complaint. Given the reasons for this, I’m satisfied that whether Mrs T’s complaint about the specific lending decisions was made in time or not has no impact on that outcome.

I'm also in agreement with the investigator that Mrs T's complaint should be considered more broadly than just Tesco Bank's decision to lend. I consider this to be the case as Mrs T has not only complained about the decision to lend but has also alleged that this unfairly caused her ongoing difficulty going forward because it took her years to be able to repay the balance.

I'm therefore satisfied that Mrs T's complaint can therefore reasonably be interpreted as a complaint about the fairness of her relationship with Tesco Bank. I acknowledge Tesco Bank may not agree that we can look at Mrs T's complaint, but given the outcome I have reached, I do not consider it necessary to make any further comment or reach any findings on these matters.

In deciding what is fair and reasonable in all the circumstances of Mrs T's case, I am required to take relevant law into account. As, for the reasons I've explained above, I'm satisfied that Mrs T's complaint can be reasonably interpreted as being about the fairness of her relationship with Tesco Bank, relevant law in this case includes s140A, s140B and s140C of the CCA.

S140A says that a court may make an order under s140B if it determines that the relationship between the creditor (Tesco Bank) and the debtor (Mrs T), arising out of a credit agreement is unfair to the debtor because of one or more of the following, having regard to all matters it thinks relevant:

- any of the terms of the agreement;
- the way in which the creditor has exercised or enforced any of his rights under the agreement;
- any other thing done or not done by or on behalf of the creditor.

Case law shows that a court assesses whether a relationship is unfair at the date of the hearing, or if the credit relationship ended before then, at the date it ended. That assessment has to be performed having regard to the whole history of the relationship. S140B sets out the types of orders a court can make where a credit relationship is found to be unfair – these are wide powers, including reducing the amount owed or requiring a refund, or to do or not do any particular thing.

Given Mrs T's complaint, I therefore need to think about whether Tesco Bank's decision to lend to Mrs T, or its later actions resulted in the lending relationship between Mrs T and Tesco Bank being unfair to Mrs T, such that it ought to have acted to put right the unfairness – and if so whether it did enough to remove that unfairness.

Mrs T's relationship with Tesco Bank is therefore likely to be unfair if it didn't carry out proportionate checks into Mrs T's ability to repay what she could owe, in circumstances where doing so would have shown it that the credit card was unaffordable, or that it was irresponsible to lend. And if this was the case, Tesco Bank didn't then somehow remove the unfairness this created.

I've considered Mrs T's complaint in this context.

#### *Our typical approach to complaints about irresponsible and unaffordable lending*

We've explained how we handle complaints about unaffordable and irresponsible lending on our website. And I've used this approach to help me decide Mrs T's complaint.

I think that it would be helpful for me to set out that we consider what a firm did to check whether any repayments to credit were affordable (asking it to evidence what it did) and then

determine whether this was enough for the lender to have made a reasonable decision on whether to lend.

Generally, we think it's reasonable for a lender's checks to be less thorough – in terms of how much information it gathers and what it does to verify that information – in the early stages of a lending relationship.

But we might think it needed to do more if, for example, a borrower's income was low, the amount lent was high, or the information the lender had – such as a significantly impaired credit history – suggested the lender needed to know more about a prospective borrower's ability to repay.

That said, I think that it is important for me to explain that our website does not provide a set list of mandated checks that a lender is expected to carry out on every occasion. Indeed, the requirements have not and still do not mandate a list of checks that a lender should use. Any rules, guidance and good industry practice in place over the years has simply set out the types of things that a lender could do when considering whether to lend to a prospective borrower.

It is for a lender to decide which checks it wishes to carry out, although we can form a view on whether we think what was done was fair to the extent it allowed the lender to reasonably understand whether the borrower could make their payments. Furthermore, if we don't think that the lender did enough to establish whether the repayments that a prospective borrower might have to make were affordable, this doesn't on its own mean that a complaint should be upheld.

We would usually only go on to uphold a complaint in circumstances where we were able to recreate what reasonable checks are likely to have shown – typically using information from the consumer – and this clearly shows that the repayments in question were unaffordable.

*Application to Mrs T's complaint – Was Tesco Bank's decision to provide Mrs T with the credit card unfair?*

Tesco Bank says it initially agreed to Mrs T's application after it obtained information on her income and carried out a credit search. And, in its view, the information obtained indicated that Mrs T would be able to make the monthly repayments due for this credit card. On the other hand, Mrs T says that the credit card was unaffordable and caused her ongoing difficulty.

I've considered what the parties have said.

What's important to note is that Mrs T was provided with a revolving credit facility rather than a loan. This means that Tesco Bank was required to understand whether a credit limit of £3,200.00 could be repaid within a reasonable period of time, rather than all in one go. And it's fair to say that a credit limit of £3,200.00 would have required reasonably sized monthly payments in order to clear the full amount that could be owed within a reasonable period of time.

I understand that Tesco Bank concluded that Mrs T had an annual income of around £19,000.00. I note that Mrs T has disputed declaring such an income. But, in any event and even though Mrs T didn't have any significant adverse information recorded against her, I do think that Tesco Bank ought to have found out more about Mrs T's actual living expenses before determining that this credit card was affordable for her.

However, having considered the information Mrs T has provided, I don't think that Tesco Bank attempting to find out about Mrs T's actual regular living costs would have made a difference here. I say this because the information provided now shows that when Mrs T's committed regular living expenses, other non-discretionary expenditure and her existing credit commitments were deducted from the total funds she received each month she did have the funds to make the payments she could have to make on this credit card.

I accept that Mrs T's actual circumstances may not have been fully reflected either in the information she provided, or the information Tesco Bank obtained. For example, I note that she has referred to some of the funds she receives as being temporary. I'm also sorry to hear about the health difficulties that Mrs T has experienced and any resulting impact that this has had on her being able to pay this credit card. However, Tesco Bank didn't know about Mrs T's health and as a result I can't reasonably expect it to have known about this or factor it into its decision to lend either.

In reaching my conclusions, I've noted that in response to the investigator's conclusions, Mrs T has queried how it was possible for us not to uphold this credit card complaint in circumstances where a different investigator has upheld a different credit card complaint against a separate lender. I can understand why Mrs T might find it strange that she has received a different outcome on this complaint which she perceives to be materially the same as her other one.

But it's important for me to explain that we consider complaints on an individual basis and looking at the individual circumstances. As I've already explained, what will constitute a proportionate check will very much depend on the particular circumstances of the individual application. A proportionate check, even for the same customer and the same lender, could look different for different applications. Indeed, it's worth noting that Mrs T's other complaint wasn't upheld from the outset, it was upheld as a result of a later lending decision.

Furthermore, I'm not bound by the outcomes reached on different cases. This is especially the case where a respondent firm accepted an investigator's assessment of the complaint (as what happened on Mrs T's other complaint). Indeed, as Mrs T's other case did not reach an ombudsman it is by no means certain that an ombudsman would have reached the same conclusion, had one been required to determine it.

In any event, I'm required to consider the facts of this particular case and reach my own independent conclusion on what's fair and reasonable in all the circumstances. So the outcome Mrs T has received on her other case cannot and does not bind me into reaching the same conclusion on this case. That said, consistency is important and with a view to providing some clarity and reassurance to Mrs T, it might help for me to explain that there are some key differences between this credit card complaint and Mrs T's other one.

Having looked at Mrs T's other credit card case, it's clear that it was upheld once she was offered a limit that was significantly higher (more than double) than the limit that Tesco Bank offered her on this card. This significantly influenced the level of checks that the lender on that case was reasonably expected to carry out at the time and as a result what it was concluded such checks is likely to have led the lender to have known about Mrs T.

For the sake of completeness, I think it's also worth me stating as Mrs T's other complaint was upheld, the compensation she's received has effectively placed her in the position she would be had she not been provided with the credit she shouldn't have been provided in that case.

As this correction has been made and that is effectively the position that Mrs T is now in, it would not be fair and reasonable for me to now 'double count' this, by considering whether

she could afford to repay this credit card within a reasonable period of time, as well as clear the full amount of the limit on the other card in a similar way, when she's already been placed in the position of not having all of that credit.

Double counting Mrs T's other credit card complaint in this way, would seek to place her in the position she would be in had she not had either card, because Mrs T was in a position where she couldn't afford to repay any of this credit at all. I don't think that this is the position that reasonable and proportionate checks will have shown that Mrs T was in, at the time she was provided with this credit card. Equally, as I've explained above, the information I've been provided with now has not persuaded me that this was the position that Mrs T was actually in either.

As this is the case, while I'm not required to replicate the outcomes reached on other cases, I nonetheless don't consider that my answer on this complaint is incompatible or inconsistent with the one Mrs T received on her other case, notwithstanding the differing outcomes.

Overall, and based on the available evidence I don't find that Mrs T's relationship with Tesco Bank was unfair. I've not been persuaded that Tesco Bank created unfairness in its relationship with Mrs T by irresponsibly lending to her. I don't find Tesco Bank treated Mrs T unfairly in any other way either based on what I've seen either.

So overall and having considered everything, while I can understand Mrs T's sentiments and sympathise with the very difficult time that she has been through, I'm nonetheless not upholding this complaint. I appreciate this will be very disappointing for Mrs T. But I hope she'll understand the reasons for my decision and that she'll at least feel her concerns have been listened to.

### **My final decision**

For the reasons I've explained, I'm not upholding Mrs T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 16 March 2026.

Jeshen Narayanan  
**Ombudsman**