

The complaint

Mr C complains that Barclays Bank UK PLC trading as Tesco Bank didn't report an interest free plan as an arrangement on his credit file and instead reported it as missed payments.

What happened

Mr C holds a credit card account with Tesco Bank.

On 27 June 2025 Mr C contacted Tesco Bank to set up an interest free repayment plan. During the call, Tesco Bank agreed a 6-month plan with payments of £25 per month. Tesco Bank advised Mr C that the plan would report to the credit reference agencies as an arrangement and that the arrears would also still be reflected.

When Mr C checked his credit file, he noticed that a late payment had been reported for July 2025. Mr C contacted Tesco Bank to complain. Tesco Bank said the reporting was incorrect and the arrangement and the arrears should've been reported instead. Tesco Bank submitted a request to have this updated and to reflect properly for July 2025.

Tesco Bank upheld Mr C's complaint and paid £125 compensation.

Mr C contacted Tesco Bank again on 10 September 2025. He was unhappy that a further missed payment had been reported on his credit file. Tesco Bank said it would look into this. Mr C contacted Tesco Bank again on 10 September and 11 September and requested a call back to discuss this.

On 12 September 2025 Tesco Bank contacted Mr C by email. It said it was looking into his concerns and said it would be in touch with an update. Tesco Bank asked Mr C to provide a suitable time and date to call him the following week.

On 17 September 2025 Mr C contacted Tesco Bank again and asked if an unencrypted email could be sent to him as he was unable to access the email he'd received. Tesco Bank sent a further email to Mr C confirming its findings, which were that July and August were reporting arrangements with arrears, which Tesco Bank said was what should be happening.

Tesco Bank sent a further email to Mr C on 29 September 2025 asking for a suitable time and date to call him.

On 6 October 2025 Mr C contacted Tesco Bank and said his credit file was again incorrect. He also raised a complaint about the failure to call him back as promised and said he was unable to access his final response via encrypted email. A Manager emailed Mr C on 6 October 2025 asking Mr C to confirm a suitable time and date to contact him.

Mr C called again on 8 October 2025. He said he was unable to access his final response and was unhappy with the service he'd received.

Tesco Bank issued a further response on 9 October 2025 confirming that it had tried to get in touch with Mr C to arrange a call and that it understood he was having difficulty accessing some of its emails. Tesco Bank explained that a further error had been made and that a

missed payment was reporting to the credit reference agencies for September instead of an arrangement, despite Mr C having made the agreed repayments. Tesco Bank said it would arrange to have this corrected and paid further compensation of £75.

Mr C contacted Tesco Bank on 9 October 2025 unhappy that he hadn't received a call from a Manager. Tesco Bank responded on 10 October 2025 via unencrypted email and explained that it had sent both encrypted and unencrypted emails to arrange a call but had received no response. Tesco Bank asked Mr C to respond to the email with a date and time suitable to call him.

On 13 October 2025 Mr C contacted Tesco Bank by email. He said his credit report for October was incorrect because it was reporting a missed payment instead of an arrangement. Tesco Bank responded by unencrypted email asking for a suitable time to contact Mr C on 14 October. Mr C responded on 15 October 2025 and requested a call back that day. A Manager called Mr C to discuss his concerns and sent an email confirming that an additional £125 compensation had been paid to Mr C and that the arrangement remained in place. Tesco Bank also confirmed that all reporting was now correct based on the information from the credit reference agencies but that if Mr C found any errors with the information reported he should let Tesco Bank know,

On 21 October 2025 Mr C contacted Tesco Bank and said Experian was still reporting missed payments. Tesco Bank responded on 22 October 2025 and said it and confirmed that an arrangement was being reported by all three credit reference agencies.

Mr C remained unhappy and brought his complaint to this service. He said the arrangement was still being reported incorrectly and that his credit file had been destroyed as a result. Mr C said that Tesco Bank were blaming the credit reference agencies for the incorrect reporting, but the credit reference agencies had confirmed that it was Tesco Bank's reporting. Mr C said that the matter had caused him unnecessary stress over a prolonged period of time and that Tesco Bank had failed to acknowledge the impact on him or take account of his disability and health conditions.

Our investigator upheld the complaint. They said that having listened to the call when Mr C agreed to the arrangement to pay, they thought the information provided to Mr C was misleading because it gave the impression that the payment plan wouldn't be reported as a missed payment. The investigator said that if Mr C had been given a more accurate explanation, then he might have decided on a different option. The investigator noted that Tesco Bank had already paid a total of £325 compensation to Mr C but said that this didn't include a consideration of the accuracy of the impression that Mr C was given when he accepted the arrangement. The investigator said that Tesco Bank should pay a further £175 compensation.

Tesco Bank didn't agree. It said that whilst it acknowledged that an error had occurred in the credit reporting, it had subsequently identified that this had been caused by a system issue. It said it had made the required amendments to Mr C's credit file and had monitored the reporting to ensure further updates could be made if needed. Tesco Bank said it recognised that the situation may have caused inconvenience to Mr C but said it was important to note that his credit file would have been impacted during this time by the payment arrangement in any event.

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.

The essence of Mr C's complaint is about the way in which Tesco Bank reported an arrangement on his credit file. Mr C says that the repayment arrangement wasn't reported as an arrangement to pay but was instead reported as missed payments. Tesco Bank has acknowledged that there had been some errors in the credit reporting but has said that it has put things right now and has paid compensation totalling £325 to Mr C which it believes is sufficient to resolve the complaint.

The investigator has made the point – correctly in my view – that Tesco Bank is under an obligation to let the credit reference agencies know that Mr C isn't making his contractual payment, and that normally this would be reported as a missed payment (as well as also showing that Mr C was in a repayment arrangement).

Mr C has told this service that this wasn't properly explained to him. He says he was told when he entered into the repayment arrangement that it wouldn't be reported as missed payments.

I've listened to the call in which Mr C agreed to the repayment arrangement. The Tesco Bank agent advised Mr C that the bank would report the plan to the credit reference agencies. The agent also said that it might be reported as missed payments and that if Mr C was unhappy about the way in which it was reported he would need to contact the credit reference agencies. During the call, Mr C said he understood that there would be some impact on his credit file but said his main concern was to avoid the account being defaulted.

I appreciate that Tesco Bank has no control over how the credit reference agencies report payment arrangements. However, I agree with the investigator that the Tesco Bank agent could've been clearer with Mr C. I think it was misleading for the agent to say to Mr C that the arrangement "might" be reported as missed payments. Having listened to the call, I think the way in which this was said left Mr C with the impression that the arrangement shouldn't be reported as missed payments, and that if it was reported as such, this is something which shouldn't happen. I say this because it's apparent at the end of the call, when Mr C seeks clarification from the agent by asking the following:

"This marker, if it appears as a missed payment I'll go to TransUnion but it should appear as a payment plan?"

The agent confirms with a "yes".

Based on what I've heard on the call, it's clear that Mr C thought that the arrangement should be reported on his credit file as a payment plan and that anything other would be some sort of error. This explains why he is so upset about what's happened.

I've thought about whether the information provided to Mr C on this call caused him to make a decision which he wouldn't otherwise have done. On balance, I think that - had Mr C been given clear information that the credit reference agencies could report the plan as missed payments – he would have made a different decision.

I've reviewed Tesco Bank's response to the investigator's view. It hasn't addressed whether the information given over the phone to Mr C when he set up the repayment arrangement was misleading. And I can't see that the information provided to Mr C on the phone formed part of the bank's considerations when it paid compensation for the error in the way the arrangement had been reported. So I agree with the investigator that the advice given to Mr C on the call remains an issue which has impacted Mr C and for which he should be compensated.

The impact on Mr C has been significant. I don't propose to repeat everything that the

investigator said but it's clear that Mr C is a vulnerable person who has spent a lot of time trying to resolve this matter over a period of several months. The personal circumstances of Mr C mean that the impact of this has been greater than it might have been on another person.

I appreciate that Tesco Bank has already paid £325 compensation to Mr C. This was paid in respect of the errors in the reporting of the arrangement to the credit reference agencies and the impact on Mr C as a result. But it doesn't include compensation for the information provided to Mr C when he agreed to set up the arrangement. I'm persuaded that further compensation should be paid to Mr C for this, because it was this misleading information which led to Mr C making the decision to enter into the arrangement

Putting things right

To put things right, Barclays Bank UK PLC trading as Tesco Bank must pay further compensation of £125 to Mr C.

My final decision

My final decision is that I uphold the complaint. Barclays Bank UK PLC trading as Tesco Bank must pay further compensation of £125 to Mr C.

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

Emma Davy
Ombudsman