

## **complaint**

Mr P complains about the way Tesco Personal Finance Plc has applied charges to his credit card account after he thought it was closed and how it has treated him since the account was reopened.

## **background**

In July 2018 I issued a provisional decision saying that I didn't think this complaint should succeed.

I invited all parties to let me have any further submissions before I reached my final decision. Mr P has responded to my provisional decision. Tesco has nothing further to add.

## **my findings**

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

Mr P has said he doesn't agree with my provisional decision. He says my decision is biased and reiterates his arguments from earlier in the investigation, primarily stating he didn't receive post from Tesco. However he doesn't deal with my argument about the letter from Tesco in May. He doesn't deal with my arguments set out in my provisional decision. And the issues he's raises in response to my provisional decision are dealt with in my provisional decision.

So considering the matter in the round and in the interests of finality I think it time to issue this decision. I see no persuasive reason to change my rationale as described in the provisional decision attached. So my final decision is that this complaint doesn't succeed as set out in my provisional decision for the reasons here and in that decision.

## **my final decision**

For the reasons given above and in my provisional decision attached I do not uphold this complaint about Tesco Personal Finance Plc.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr P to accept or reject my decision before 22 September 2018.

Rod Glyn-Thomas  
**ombudsman**

## **COPY OF PROVISIONAL DECISION**

### **complaint**

Mr P complains about the way Tesco Personal Finance Plc has applied charges to his credit card account after he thought it was closed and how it has treated him since the account was reopened.

### **background**

In November 2016 Mr P sought to close his credit card account with Tesco and transfer the debt he had with it to another credit card provider. In January 2017 Tesco wrote to Mr P saying it was sad he was closing his account and he needed to check his accounts for any recurring transactions and to deal with them.

In May 2017 Tesco wrote to Mr P and told him the other provider wasn't taking the balance transfer and that Tesco would start charging against the debt on his account. It then wrote to Mr P repeatedly during July, August, September and October. In September 2017 Mr P complained to this service.

Our investigator thought Mr P could rely on the closure letter of January 2017 and decided that although he accepted that Tesco had done nothing wrong it should waive all charges and fees applied to Mr P's account after July 2017 as he didn't think it fair that Mr P had pay the charges applied to his debt.

Tesco has asked for an ombudsman to review these matters and issue a decision.

### **My provisional findings**

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

I've considered this matter and I currently don't think any element of this complaint should be upheld. I currently think Mr P should pay all the charges and fees applied to his credit card account. I say this for the following reasons:

- Mr P clearly knew he had a debt (with one business or the other) throughout the entire period of time. He had taken action to move it from Tesco to another provider. He'd complained to Tesco previously about its dealings with the account and has complained to this service about the issues surrounding the movement of the debt. He has always known he has had a debt. It's clear from what Mr P says he knows the basic workings of credit card accounts. Specifically that if you don't pay the debt off each month it incurs interest and if you make no payments to it at all you also incur various fees and charges.
- Tesco's letter of January 2017 does not suggest that Mr P no longer owes the debt (to any party) nor does it describe any reasons for the normal charges and fees applied by credit card companies to be no longer payable on the account whoever held the debt.
- So although it is a letter closing the account, bearing in mind that it is sent before the balance transfer had been confirmed to have been completed (by either business) to Mr P, I do not think it could be reasonably taken to mean that the debt couldn't remain or return to being held by Tesco in any circumstance.
- Mr P says "*I never received any correspondence from (the other provider)*". So it is clear to Mr P as time goes on that something somewhere hasn't gone according to plan. However I've not seen any evidence that Mr P was told by any party that he no longer owed the debt. Furthermore bearing in mind that the balance transfer was from Tesco to another party I don't think unreasonable when the other party didn't tell Mr P he now owed the debt to them that it would still be with Tesco-or at least Tesco would know the current status of the debt. I don't think Mr P could reasonably have thought that the debt had just disappeared.
- Tesco has written to Mr P on a regular basis at the correct address. Mr P says he was away

from that address between June and September 2017 and January to March 2018. He also says that he has had continuing problems with his post and redirections of his post. However these postal failings and his being abroad aren't the fault of Tesco. And Mr P knew he had a credit card debt that he wasn't paying towards with any party. And as Tesco was the party from which the debt originated Mr P would have been aware it would be likely to know where the debt sat.

- Even taking into account what Mr P says it doesn't detract from the fact that Tesco wrote to him on 18 May 2017 telling him the debt was going back onto his account ten days later (1 June 2017). This being before when Mr P says he stopped being at his address and before the redirection of post was due to take effect. So I think it likely he knew the debt was to be on his credit card from 1 June in May 2018 because I think it likely that this letter was delivered to his address whilst he was there.
- Lastly Tesco also points to its terms and conditions which Mr P agreed to which has the catch all term within it that Mr P had agreed which states that it "*continue to add interest and charges to the account until you have paid everything you owe under the agreement*".

I've considered all of the other arguments Mr P makes, but I think the key issues are those that I've addressed in this decision. And ultimately I currently don't think Tesco has treated him unfairly about this debt and it adding the charges and interest that it has done.

I appreciate that the background to Mr P wanting to leave Tesco is it having not provided the service it would have liked to. And I also appreciate that the balance transfer didn't go as it should have. But in terms of what has happened since Tesco wrote to Mr P in May 2018 I currently don't think it has done anything sufficiently unfair for me to make it waive the correctly applied charges fees and interest that it has. I currently think it is fair, even in these circumstances, to expect Mr P to pay the debt and fees and charges correctly applied since May 2018. He has been informed of this, and hasn't made any persuasive argument as to why he shouldn't be liable for these charges and fees. So I currently think he should pay them and Tesco hasn't done anything wrong in the actions it has taken around this debt not being paid.

### **my provisional decision**

For the reasons set out above, I am currently minded to not uphold Mr P's complaint against Tesco Personal Finance Plc.

I now invite both parties to provide me with any further submissions they wish to have taken into account, after which I will issue my final decision.

Rod Glyn-Thomas  
**ombudsman**