

complaint

Mr G complains that Tesco Personal Finance plc, trading as Tesco Bank, has provided confusing and misleading information about his credit card account, which has caused him distress.

our initial conclusions

The adjudicator recommended that the complaint should be upheld in part. She concluded that Tesco Bank was entitled to seek repayment of the debt and to use debt collection agencies. However, she considered that Tesco Bank's handling of the debt has caused Mr G distress and that it should pay him £250. Tesco Bank did not agree, saying, in summary, that it had followed all the necessary steps in relation to the account and the arrears

my final decision

To decide what is fair and reasonable in this complaint, I have considered everything that Mr G and Tesco Personal Finance have provided.

Mr G accepts that he has had the benefit of the money he borrowed using his card. It is therefore reasonable that he should repay it. However, I do consider that since the debt was placed with collection agents communication has not been clear and has caused confusion. The account has passed to different collection agencies without Mr G being told, resulting in a repayment being returned to him. I find that he spent some time trying to find out where to send future payments, which demonstrated a willingness to repay. Tesco Bank accepts that it should have been more helpful, apologised and offered to pay £100 for the inconvenience. Mr G was then told that the debt was with another agent, who would contact him to agree a repayment programme. This did not happen and six months later the debt was moved again.

Tesco Bank has admitted that its service was below the level it expected. It did not respond to Mr G's complaint in May and a final response was not issued until January 2013. I consider that this has caused Mr G distress and inconvenience over some time and, like the adjudicator, I am not convinced that the £100 offered is enough. I find that an award of £250 would be fair and reasonable in all the circumstances.

My final decision is that I uphold this complaint, as set out more fully overleaf.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr G either to accept or reject my decision before 1 October 2013.

Karen Wharton

ombudsman at the Financial Ombudsman Service

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

ombudsman notes

I am satisfied that Tesco Bank gave Mr G the appropriate notices before the account was defaulted and it instructed external debt agencies to recover the debt.

Whilst the complaint has been investigated, the debt has been transferred back to Tesco Bank's collection department and I would now urge Mr G to contact the bank to agree a suitable repayment plan.

In full and final settlement, I order Tesco Personal Finance plc (trading as Tesco Bank) to pay (not credit) Mr G £250.

what is a final decision?

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

what happens next?

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.