

complaint

Mr L complains about that Tesco Personal Finance PLC unfairly registered a default on his credit file and closed his account.

background

Mr L says he got into financial problems at the end on 2018 and contacted Tesco about his credit card debt. He says he agreed a four month plan with Tesco but accepts due to family problems didn't contact Tesco at the end of the agreement. Mr L says he didn't receive the default letters Tesco said it sent him and contacted Tesco and agreed a month's breathing space. He says no mention was made that the account had been closed and says the default has stopped him taking out a loan to repay the debt.

Tesco doesn't accept making a mistake and says it agreed a short term four month plan with Mr L but told him to contact it before it ended. It says it wrote to Mr L and sent him his account statement which showed the full debt being due. Tesco says it then closed the account and registered the default.

Mr L brought his complaint to us but our investigator didn't think Tesco had made a mistake or acted unfairly. The investigator thought Tesco had told Mr L to contact it before the agreement ended. But he hadn't and Tesco then correctly sent the default letters and closed the account. The investigator also thought Mr L should reasonably have been aware that the debt was due as he was also sent account statements. And that Tesco had acted positively and sympathetically by agreeing the plan and allowing a month's grace period.

Mr L doesn't accept that view and would like the default removed from his credit file and given an opportunity to sort matters out.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so I've come to the same overall view as the investigator for the same reasons. I realise Mr L will be disappointed by my decision.

There is no real dispute here that Tesco and Mr L agreed a short term four month plan towards the end of 2018 and that Mr L should have contacted Tesco towards the end of that plan. I'm satisfied Mr L didn't contact Tesco but I appreciate that at that time Mr L was dealing with family difficulties. I'm also satisfied that Tesco wrote a number of letters to Mr L which I think were correctly addressed that told Mr L about the possibility of a default being registered and his account closing. I also appreciate Mr L says he didn't receive some of those letters but I think he should reasonable have been aware that the agreement had ended and that he should have spoken to Tesco. I also think that he received monthly account statements and should reasonably have noticed that Tesco was asking him for the full amount.

Overall I'm satisfied that Tesco hasn't made a mistake and has acted in line with the account terms and conditions by closing the account and registering a default. I'm also satisfied that Tesco has a duty to report an accurate account position to the Credit Reference Agencies.

Bank and building societies should treat customers in financial difficulties positively and sympathetically. I'm satisfied Tesco has acted in such a way here by agreeing the plan in the

first place and by allowing Mr L a breathing space of a month. I don't think Tesco could have done much more at that stage as the account had already been closed.

As I don't think Tesco made a mistake or acted unfairly I can't reasonably ask it to remove the default or do anything else in the circumstances of this complaint.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 29 August 2019.

David Singh
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