

complaint

Mr H has complained that Tesco Personal Finance PLC told him his debt had been repaid when there remained an outstanding balance.

background

Mr H took out a loan with Tesco in 2009 for £5,500. In 2017 Mr H complained to Tesco about irresponsible lending at the time of the loan. Tesco replied with a final response in August 2017 advising that they do not agree the loan was lent inappropriately. They also said that the account was paid off in July 2016.

Mr H complained to Tesco in October 2017 saying they'd made an error in the letter, and in fact the loan account remained open. Mr H also complained that Tesco failed to phone him back as promised.

Tesco apologised for their mistake, and confirmed that an error had been made. They said the debt had been sold to a debt collection agency. Mr H requested that Tesco pay him £1,000 compensation for the distress and inconvenience caused. He also requested that Tesco amend his credit file to show that his debt was not outstanding. Tesco offered £50 by way of apology to Mr H.

Mr H was not happy with Tesco's response and so complained to this service.

Our investigator felt the business had acted reasonably in its dealings with Mr H. He explained that he felt £50 for the error was reasonable in the circumstances.

Mr H wasn't happy with the investigator's view and so this case has been passed to me for a final decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. In doing so I've come to the same conclusion as the investigator, I don't think it would be fair or reasonable of me to tell Tesco to do anything further. I'll explain why below.

Have Tesco offered satisfactory compensation?

Tesco has admitted making a mistake when it told Mr H his loan account was closed and the debt repaid. They have further apologised for failing to return Mr H's phone call and offered £50 compensation. I appreciate Mr H has requested compensation of £1,000 and I understand he was upset by the letter. But I'm satisfied it's likely Mr H would have been aware that the debt remained outstanding. And the compensation given is for the impact on Mr H, which I don't think is significant. For this reason I think this is a reasonable offer in the circumstances, and within the area I would likely award.

As for Mr H's credit file Tesco has said they can't change it to show his debt's been repaid. Credit Reference Agencies have a responsibility to hold accurate information on how consumers manage debts. Besides Mr H has confirmed his debt remains outstanding so I'm unable to recommend that his credit file is amended.

I consider Tesco acted fairly and reasonably in handling Mr H's complaint.

I'm sorry this will be disappointing news for Mr H but I hope the reasons for my decision are clear.

my final decision

To resolve this complaint I don't require Tesco to do anything further.

Tesco's offer of £50 remains open to him to accept.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 19 March 2018.

Jeff Burch
ombudsman