

complaint

Ms D complains that Tesco Personal Finance plc (trading as Tesco Bank) unfairly recorded a late payment marker on her credit file.

background

Ms D cleared the balance on her Tesco Bank credit card and rang the bank to close the account. She was told there would be some residual interest to pay, which would show on her final statement. The amount she would have to pay would be available after the last statement date.

But Ms D didn't receive the final statement. She contacted Tesco Bank by phone on the day before the interest payment was due, but the bank couldn't locate her account. Tesco Bank says it tried to phone Ms D the following day but couldn't get through. As Ms D didn't make the payment on time, Tesco Bank recorded a late payment marker on her credit file.

Tesco Bank later accepted it hadn't turned off e-billing when Ms D closed her account, which meant she didn't receive her final statement. Tesco Bank paid £50 for this mistake. But it said the statement was reminder of transactions rather than a reminder to make payment, so it wasn't willing to amend Ms D's credit file.

Our adjudicator recommended the complaint should be upheld. She was satisfied Ms D had tried to pay what she owed before the due date, and that it wasn't her fault that Tesco Bank couldn't locate her account. The adjudicator didn't think it was fair for Tesco Bank to record the late marker on Ms D's account, and said it should make arrangements for it to be removed.

Tesco Bank didn't agree with the adjudicator's conclusions so the complaint has been passed to me.

my findings

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

Tesco Bank considers Ms D should've contacted it sooner to find out what she owed on her account. It also says she didn't update her contact details, so it wasn't possible for Tesco Bank to get in touch with her on the day her payment was due.

I've noted everything Tesco Bank has said, and I've also listened to the call between Ms D and the bank when she called to close her account on 2 August 2018. Tesco Bank told Ms D she would owe some residual interest, which would be calculated to the date of her final statement – which was due on 16 August. She was also told she would no longer have online access to her account, but that she would receive a final statement by post.

The adviser said Ms D could phone to find out the balance after 16 August, but I'm not persuaded he meant this was a requirement for Ms D to clear the account. It seems he was letting her know how she could check the balance if she wanted this information before she received her statement.

But Tesco Bank failed to turn off e-billing for Ms D's account, which meant she didn't receive her final statement. So she wouldn't have known when her payment was due. I don't accept Tesco Bank's argument that statements are a reminder of transactions rather than a reminder to pay. I say this because all of their statements clearly set out the date on which minimum payments should reach the account.

When Ms D didn't receive her statement she phoned Tesco Bank on 3 September 2018, and I've listened to that call too. Tesco Bank couldn't locate Ms D's account when she called. She told it she'd changed phone numbers, but Tesco Bank didn't offer to take details of her new number.

Ms D was concerned at the cost of her call to Tesco Bank, because she'd had to wait a long time before being connected. Tesco Bank said it would call Ms D back once it had made further enquiries, and during that part of the conversation it checked that the number Ms D was calling from was the correct number to use.

But I think it's unlikely that Tesco Bank made a note of that number, and that when it tried to call Ms D the following day it used her old phone number. It seems Ms D's new number (which she'd confirmed during the call on 3 September 2018) wasn't updated on Tesco Bank's systems until 10 September 2018.

I think Tesco Bank's failure to send Ms D her final statement meant she couldn't easily pay what she owed on time. And when she phoned to make the payment before the due date, she was prevented from doing so because Tesco Bank couldn't locate her account. I don't consider that was Ms D's fault either.

Tesco Bank said it would call Ms D the following day, but I think it's unlikely it used the correct number for her. I'm not persuaded that was Ms D's fault because she thought Tesco Bank had the right number for her at that stage.

So overall, from what I've seen and heard, I consider Tesco Bank's mistakes meant Ms D couldn't pay what she owed on time. So I think it's fair and reasonable for Tesco Bank to remove the late payment marker from Ms D's credit file, in addition to the £50 it has paid her.

my final decision

My decision is that I uphold this complaint. I direct Tesco Personal Finance plc (trading as Tesco Bank) to remove the late payment marker it recorded for Ms D from her credit file. This is in addition to the £50 it has paid to Ms D.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 23 November 2019.

Caroline Stirling
ombudsman