

## **The complaint**

Mr R complains that Tesco Personal Finance PLC trading as Tesco Bank has reported adverse information on his credit file.

## **What happened**

Mr R says he made two balance transfers to his Tesco credit card account in early 2022, but it charged him an “overcharge” fee. He says Tesco removed it but reported adverse information about it to the Credit Reference Agencies (CRA’s). Mr R says that adverse information has affected his ability to apply for a mortgage and has impacted on offered interest rates. He says the mistake has caused a grave threat to his health and would like the adverse information removed as well as compensation.

Tesco says it correctly charged an over limit fee when the two transfers exceeded Mr R’s credit limit. It says it makes clear that there may be such a charge and that it’s up to a customer to manage an account. Tesco says it refunded a fee but is obliged to accurately report its customers’ account position to the CRA’s. It says in any event it is reporting Mr R’s account as up to date and says it correctly charged a second fee for the following month as the account exceeded the credit limit for part of it.

Mr R had brought his complaint to us, and our investigator didn’t uphold the complaint. The investigator thought Mr R made the balance transfers which meant his account balance exceeded his credit limit. The investigator thought Tesco warned customers before making the transfer that a fee would be applied which could impact on the transfer amount and balance. And thought Mr R should provide his credit file if he disagreed with what Tesco said about any adverse information.

Mr R doesn’t accept that view and in summary says Tesco should pay for the cost of obtaining his credit file. He questions the legality of Tesco’s actions and says he was charged a second fee despite bringing the balance below the credit limit.

## **What I’ve decided – and why**

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 have come to the overall view that I don’t uphold this complaint.

I’m satisfied this was Mr R’s account and his responsibility to manage it. I can see he made the balance transfers which meant his account balance exceeded his credit limit. It follows that I find Tesco was entitled in line with agreed account terms and conditions to make an over limit charge for the two months the account exceeded the credit limit. I appreciate Mr R says he brought the account below the credit limit in February 2022, but I find that was part way through the month and so Tesco was entitled to charge two fees. I also think Tesco made clear during the balance transfer process that charges would be applied which could affect the process and the account balance. I would have expected Mr R to have realised his credit limit had been exceeded.

There is no dispute that Tesco did refund fees as a gesture of goodwill. I have made clear I don't think Tesco made a mistake. I'm satisfied that Tesco, as is any lender, obliged to report to the CRA's accurate information about its customers' accounts. So, I don't think Tesco would have made a mistake by reporting to the CRA's that for two months Mr R's account exceeded the credit limit for it. Tesco has now told us that it is reporting the accounts as up to date and Mr R hasn't provided us with his credit file. So, I can't fairly say what if anything is now being reported but make clear that I think Tesco is entitled to report the credit limit being exceeded for the two months in question. I don't know why Mr R hasn't provided his credit file and can't fairly direct Tesco pay for it as Mr R suggests it should do. I have not in any event seen any evidence from Mr R's mortgage providers about any impact this issue had on those applications even if I upheld the complaint.

I appreciate Mr R questions the legality of the account charges. I'm satisfied Mr R agreed to Tesco's account terms and conditions when the account was first opened and that it was entitled to make the charges in these circumstances. It would be for a court to decide on the legality of a contract in any event.

Overall, I'm satisfied Tesco has not made a mistake or acted unfairly in the circumstances of this complaint and find this now brings an end to what we in trying to resolve this dispute informally can do.

### **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 R to accept or reject my decision before 18 October 2023.

David Singh  
**Ombudsman**