

The complaint

Mrs H complains that Tesco Personal Finance plc trading as Tesco Bank blocked her access to online banking. She would like it reinstated.

What happened

The details of this complaint are well known to both parties so I won't repeat them again here instead I will focus on giving the reasons for my decision.

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 reached the following conclusions:

- There is no dispute that Tesco Bank took a business decision to close Mrs H's account due to inactivity. Following its terms and conditions it wrote and advised Mrs H of this, telling her that to keep the account open she had to use it by 29 October 2021 which she didn't do. Mrs H says she didn't get the closure letter I don't know why that was as I have seen evidence it was sent.
- Tesco Bank has explained that when it closed the account on 12 November 2021 it withdrew, as part of its closure process, online access to the account which doesn't seem unreasonable.
- It's unfortunate that, before the account closed, Mrs H applied for a 0% balance transfer offer which Tesco accepted even though this was after the 29 October 2021 deadline for using the account to avoid closure. Whilst I appreciate Tesco bank honoured the balance transfer it wouldn't allow Mrs H to make any more transactions or have online access to the account. I appreciate there are other ways for Mrs H to access her account but given it's the only redress Mrs H asked for in her complaint I think such access was important to her. And it was probably inconvenient to her to lose it.
- I understand Mrs H, for other reasons, has now closed her Tesco Bank account. So online access to it is no longer an issue.
- Our investigator didn't feel Tesco bank's actions were fair and recommended Tesco refunded the £186.43 fee Mrs H paid to set up the balance transfer. Even though Mrs H didn't ask for any financial redress I think this is fair. Whilst I appreciate Tesco Bank honoured the balance transfer which it didn't have to do, it seems unfair to me to allow the account to remain but to restrict access to it. I think that must have caused some inconvenience to Mrs H.

My final decision

My final decision is that I uphold this complaint.

In full and final settlement Tesco Personal Finance plc trading as Tesco Bank should refund

the £186.43 balance transfer fee that Mrs H paid .

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 13 October 2022.

Bridget Makins
Ombudsman