

The complaint

Mr T complains about the service he received from Tesco Personal Finance PLC trading as Tesco Bank when he attempted to switch his account to another provider.

What happened

Mr T had a current account with Tesco Bank. In 2021, Tesco Bank decided to close all current accounts and gave its customers until 15 November 2021 to use the Current Account Switching Service (CASS) to switch to other providers. Mr T wanted to switch over to a business which I'll call N. He says he completed the application with N on 15 November 2021 but, around two weeks later, N informed him that the switch hadn't been completed.

Mr T contacted Tesco Bank, which told him that he couldn't switch because of the type of account he wanted to switch to. It later accepted that this information was wrong because the type of account a customer was changing to didn't affect whether the request was accepted or rejected. In any event, Tesco Bank said it hadn't received a switch request from N, so it wasn't in a position to accept or reject it. Tesco Bank credited £25 to Mr T's Clubcard account as an apology for the incorrect information he'd been given.

Mr T wasn't happy with Tesco Bank's response and brought the complaint to this service. He said he had no knowledge of the Clubcard account and that £25 was a derisory amount.

During the investigation by this service, Tesco Bank explained that, when a customer wants to switch to another bank, it usually receives the switch request through the CASS central system. It said that the process is then for the request to be loaded on to Tesco Bank's own switching system, creating certain tasks to be worked by its Switching Team. Following this, it either accepts or rejects the switch request.

Mr T said that N told him they sent the switch request to Tesco Bank on 15 November 2021. But Tesco Bank said it didn't receive a switch request. It said that, due to its decision to close all current accounts and the deadline of 15 November 2021, there was an auto-reject in place on its system from 16 November 2021. It said that N could possibly have submitted a request on 15 November 2021, but it may not have been uploaded on to the CASS central system before the cut-off time that day. Tesco Bank said that would mean the switch request was in effect received by the CASS system after 15 November 2021, so it would have been rejected automatically by Tesco Bank's system.

Tesco Bank said that each switch request has a unique reference number, which shows the date and time it was received by the CASS central system. Tesco Bank said it doesn't have access to the system any more. But it said that N should be able to access the details.

Our Investigator didn't think Tesco Bank had done anything wrong here. But Mr T didn't agree and asked for the complaint to be reviewed by an Ombudsman.

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.

Tesco Bank has provided a screenshot of the account switch records for Mr T's account. These confirm details of a switch which took place when Mr T opened his account with Tesco Bank. But there are no details of any other account switches or requests. Nor is there any record in the account engagement notes of any switch request. So, I'm satisfied that Tesco Bank didn't receive a switch request from N.

I have also seen a letter from N, responding to a complaint by Mr T. This confirms that Mr T requested the switch on 15 November 2021. The letter says "*Whilst your switch was requested on or before the deadline, the switch start date has unfortunately fallen after this time. This means the switch had been automatically rejected by Tesco Bank*". N apologised for the inconvenience this caused Mr T, as he had to complete a manual switch over.

I find this letter to be confirmation that N's switch request wasn't uploaded before the cut-off time on 15 November 2021. It's not in doubt that Mr T himself requested the switch within the deadline. But I understand N's letter to be saying that the switch wasn't processed within the deadline. N doesn't say what date or time it uploaded the request, only that the switch start date fell after the deadline. I think the switch start date would be the date the request was loaded on to the CASS system. So I find it likely that the earliest the request was uploaded by N was effectively 16 November 2021, by which time all applications were being rejected automatically by Tesco Bank. This is what Tesco Bank suggested may have happened and I find that to be the most likely scenario here.

On balance, I find that the switch request wasn't submitted within the deadline. Therefore, I don't find it to be Tesco Bank's fault that the switch wasn't completed.

Tesco Bank has acknowledged that it gave Mr T some incorrect information about the reason the switch had failed. It has offered compensation of £25 for that, which I think is fair. As Mr T said he isn't aware of a Clubcard account, Tesco Bank has offered to pay the £25 to him by cheque or bank transfer instead, which I think is a fair solution.

I realise Mr T will be disappointed with this outcome and I'm sorry for that. But I don't find that the failure of the switch (and therefore the inconvenience associated with it) was Tesco Bank's fault. So I'm not going to ask it to do any more.

As the £25 hasn't yet been paid to Mr T by cheque or bank transfer, I'm going to direct Tesco Bank to do this. My decision is therefore that Tesco Bank should pay £25 to Mr T.

My final decision

For the reasons above I uphold this complaint. My final decision is that Tesco Personal Finance PLC trading as Tesco Bank should pay £25 to Mr T by cheque or bank transfer.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 17 November 2022.

Katy Kidd
Ombudsman