

The complaint

Mr C complains that Tesco Personal Finance PLC trading as Tesco Bank did not provide him details of his promotional offer, and they did not link his loyalty membership to his new credit card.

Mr C is represented by his accountant in bringing this complaint. But for ease of reading, I'll refer to any submission and comments he has made as being made by Mr C himself.

What happened

Mr C applied for a Tesco Bank credit card, but he says when he received the card there was no details of his promotional interest offer, so he needed to ring Tesco Bank to get the information. He said he added a loyalty membership during the credit card application process, but when he received his credit card, a different number was on the back of it. Mr C says he verified this on two occasions with the company who administer the loyalty membership, who told Mr C that the numbers were not linked to his account. Mr C made a complaint to Tesco Bank.

Tesco Bank did not uphold Mr C's complaint. They said that the loyalty membership he provided on his application was linked to his card. They said he would be able to download the terms and conditions when he signed his credit agreement. They said that they attached his credit agreement to their final response letter. Mr C brought his complaint to our service.

Our investigator did not uphold Mr C's complaint. He said that he noted that the application form showed the promotional offer, along with the credit limit and balance transfer limit, so he felt Mr C would've been aware of what offer he was receiving. He said that while he understood Mr C's desire to have the terms and conditions posted out, the application form makes it clear these can be downloaded, so Tesco Bank didn't make an error here.

Our investigator said that where an applicant provides a Tesco loyalty card number on a credit card application, it will be linked to the credit card if the profiles match. In this case, Mr C's loyalty membership number quoted on the application was held jointly with another party, and so it could not be matched. This was because the credit card was held in Mr C's sole name. As a result, the credit card was linked to a different loyalty number. He said that Mr C had not suffered a loss as there had been no loyalty points which accumulated. Mr C asked for an ombudsman to review his complaint.

As my findings differed in some respects from our investigator's, I issued a provisional decision to give both parties the opportunity to consider things further. This is set out below:

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

Firstly, I'm aware that I've only summarised Mr C's complaint points. And I'm not going to respond to every single point made by him. No discourtesy is intended by this. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've

ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

I must make Mr C aware that I can only look into the actions of Tesco Bank here, and not any other company as part of their wider group, such as the actions of their loyalty scheme company. This is because our jurisdiction only covers the actions of Tesco Bank and does not extend to their loyalty scheme company.

I'm aware that Mr C has made other complaints about Tesco Bank. But I will only be able to focus on the merits of the complaint points set out in the previous section of this decision, as any other complaints he brings to us about Tesco Bank will be dealt with separately.

I asked Tesco Bank for further information, including the calls that Mr C has mentioned. Tesco Bank has not responded to my requests. So based on our rules, which are set out in the Financial Conduct Authority Handbook and are known as DISP, then under DISP 3.5.14R I will proceed with consideration of Mr C's complaint.

I've considered what Mr C has said about not knowing about his promotional offer as he wasn't sent a copy of the credit agreement. But I'd like to explain to Mr C that it is not within this service's remit to tell a business what format (eg email/post/downloadable) they should make the credit agreement available to their customer. It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct Tesco Bank to make changes to their policies and procedures, if necessary. But I can see that Tesco Bank did inform Mr C that he could download his personalised documents at the end of the application. So although this may not have been in the format that Mr C preferred, Tesco Bank did make this information available to Mr C. So I can't say they did anything wrong on this point.

I've considered what Mr C has said about the information he was told about his loyalty membership being linked to the Tesco Bank credit card. When it comes to complaints where it's one word against another, I have to consider the evidence available to me. I then have to weigh the evidence against the balance of probabilities, that is, what's more likely to have happened in the circumstances.

I'm persuaded that Mr C was given incorrect information about his loyalty membership being linked to his credit card. I say this because I've seen the membership number that Mr C has included with his credit card application. This is different to the loyalty membership card number which was actually linked to his account when it was opened.

Tesco Bank had explained to our investigator that this was because Mr C's loyalty membership was on a joint basis, while the credit card application was on a sole basis, so the cards wouldn't have been able to be merged at the application stage, in order to prevent incorrect merges and points going to incorrect customers.

While I understand Tesco Bank's explanation of this and the reasons for this. I have not been provided any evidence of where this was explained to Mr C. So it would be reasonable for him to expect the loyalty membership number he entered as part of his application, to be linked to his new credit card, once his application was accepted, especially as he was a party on the existing loyalty card number he entered. It would not be proportionate for Mr C to be expected to memorise this number or to compare this to the number on the back of the credit card to see if these details matched. So it would have been distressing for Mr C to find out that the numbers didn't match.

While I haven't heard the conversations with Tesco Bank on the phone that Mr C says he had with them, I am persuaded that Mr C was told incorrect information by Tesco Bank

about the correct loyalty membership number being linked to his Tesco Bank credit card. I say this because the incorrect information was included in Tesco Bank's final response letter to Mr C when it said that the loyalty membership information that he entered on the application was linked to his card. But the membership number he entered in the application was a completely different number to the membership linked to his card upon opening.

So not only would this information be distressing for Mr C, but he was also inconvenienced to ring the separate company who administrates the loyalty scheme, who Mr C says confirmed to him that the correct membership number was not linked to his Tesco credit card. Mr C rung them at least twice in relation to the information given by Tesco Bank over the phone and from the letter.

While it appears that Mr C has not suffered a financial loss as a result of points not being allocated to the loyalty card he wanted his credit card to be linked to (as Tesco Bank has said he did not complete any transactions which attracted any loyalty points), I am persuaded that Tesco Bank gave Mr C wrong information which would have been distressing and contradictory to the information he was told by the loyalty scheme department. And the information in their final response was incorrect, as the evidence shows a different number being linked.

So I've considered what would be a fair outcome for this complaint. I'm persuaded that £75 would be fair for what happened here. I'm persuaded that this recognises the impact of the incorrect information that Tesco Bank gave Mr C, as he was inconvenienced to have to ring up the loyalty scheme company at least twice to see if the information Tesco Bank gave him was correct – and they confirmed – as the evidence I've seen also suggests – that Tesco Bank did give Mr C incorrect information. So I intend to ask Tesco Bank to put things right for Mr C."

I invited both parties to let me have any further submissions before I reached a final decision. Mr C accepted the provisional decision. Tesco Bank sent me the information that I had previously requested including some of the telephone calls.

Tesco Bank did not accept the provisional decision. They made a number of points. In summary, they said that there was no spending on his card, so there were no points going missing, so they said Mr C was ringing them and the loyalty scheme provider to chase an issue which had no impact on him. Tesco Bank said in my provisional decision I said that *"So it would have been distressing for Mr C to find out that the numbers didn't match."* But they questioned why this would be of any concern to Mr C if he had not spent on the card.

Tesco Bank said that on Mr C's call on 6 February, he stated there was a lot of friction with the agent he had spoken to, but the call recording shows there were no issues with the service on the call. They said Mr C had raised several complaints which had been referred to our service, and they felt the compensation I intended to award was excessive.

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.

I have listened to the telephone calls that Tesco Bank have provided me. On the first call on 6 February 2023, this relates to the security. Tesco Bank have redacted a large part of the call, so I'm unable to hear how this ended, but before the call was redacted, the call handler and Mr C were discussing his promotional offer available and the call handler had to go through enhanced security to get this information (which will be why Tesco Bank have redacted this), however, there was no end to the call which I could hear. But from what I

heard, the call handler did try and assist Mr C and was pleasant and courteous, and I didn't detect any friction.

Mr C rings Tesco Bank back later that day to make a complaint. He says that after his previous call, he noticed that there was a mismatch on the loyalty number with his Tesco Bank credit card, so he rang the scheme provider, and they confirmed that the loyalty cards were not linked, and they said they were completely separate accounts.

I've also listened to a call when a complaint handler rings back Mr C on 16 February 2023. The complaint handler says that the loyalty membership *"number that you provided us with, erm on application, is the one linked to your credit card"*. And she says *"it's definitely linked on our systems"*.

Tesco Bank have said that a loyalty membership number attached to a credit card can only be in the credit card owner's name and not in anyone else's name. If that customer holds a loyalty profile where the loyalty profile is held jointly, as long as the credit card owner provides their own existing loyalty number at the application stage, then the loyalty card can still be merged into that profile. Tesco Bank said that loyalty profiles are set up in a way that even if the loyalty profile is joint, only the credit card owner would be able to see points collected on that credit card account as they are solely responsible for that account.

Tesco Bank said if a customer doesn't link cards at the application stage or if this fails due to any of the reasons, then this means a separate loyalty profile entirely will be set up for the customer with the new card in it. They said if this happened Mr C would still be able to contact the loyalty company directly at any point and ask for any separate profiles to all be merged into one so all loyalty cards held show under just one profile. As the loyalty scheme is not administered by Tesco Bank, then Tesco Bank were not able to send me the call recordings of these calls that Mr C had with them. As the loyalty company is not covered under our jurisdiction, then I'm unable to ask them for these calls.

But I do think that Tesco Bank have not been consistent in their explanation of how the loyalty number Mr C entered in his application form would be linked to the new credit card. In my provisional decision I said *"Tesco Bank had explained to our investigator that this was because Mr C's loyalty membership was on a joint basis, while the credit card application was on a sole basis, so the cards wouldn't have been able to be merged at the application stage, in order to prevent incorrect merges and points going to incorrect customers."*

In my provisional decision I also said *"I am persuaded that Mr C was told incorrect information by Tesco Bank about the correct loyalty membership number being linked to his Tesco Bank credit card. I say this because the incorrect information was included in Tesco Bank's final response letter to Mr C when it said that the loyalty membership information that he entered on the application was linked to his card. But the membership number he entered in the application was a completely different number to the membership linked to his card upon opening."* In response to the questions I asked Tesco Bank prior to issuing my provisional decision, they have now responded to say they cannot explain why the complaint handler confirmed the loyalty number was linked.

The complaint handler said if Mr C had any queries about this then he could ring the loyalty provider about this. So Mr C did this. And he's told us they've said they weren't linked. I'm persuaded by Mr C's testimony, as if they had told him the loyalty cards were linked then there would be no reason for him to ring Tesco Bank back to say he'd been provided incorrect information and to bring his complaint to us about it. And as they are the scheme administrator, they should be better placed than Tesco Bank to tell Mr C what cards were linked.

The last call I listened to was also made on 16 February 2023. This was a continuation of the previous call as Mr C was trying to talk to the complaint handler, but she wasn't responding and the call had been disconnected, so it appears the complaint handler rang him back. She again says she can definitely guarantee that it is correct on their end. But Tesco Bank have been unable to provide us evidence whether the cards were linked or not. They are still unable to categorically tell me if the cards were linked unless Mr C made a purchase which attracted the loyalty points.

I've considered what Tesco Bank have said about their not being a financial impact on Mr C. I did not state that there was a financial impact in my provisional decision. If there had of been a financial impact on him then I would have awarded compensation for this also. But the £75 is for the distress and inconvenience for the reasons I've already documented in my provisional decision. The reason why it was important to Mr C to verify if his cards were linked was so he could ensure he was earning points with the correct linked card. I don't find this an unusual thing to do as if the cards weren't linked (as the loyalty provider had told him), then if Mr C had started spending on the card only to find it not linked, then he would have had further distress and inconvenience to rectify this, and therefore he wanted to know before he started spending on the card whether the membership number he entered onto his application form was linked as he would expect it would be, therefore *"it would have been distressing for Mr C to find out that the numbers didn't match"* even if he hadn't spent anything on the card at this point.

But when Mr C had spoken to the loyalty scheme provider again, then they also told him that the loyalty numbers weren't linked. As I said in my provisional decision *"So I've considered what would be a fair outcome for this complaint. I'm persuaded that £75 would be fair for what happened here. I'm persuaded that this recognises the impact of the incorrect information that Tesco Bank gave Mr C, as he was inconvenienced to have to ring up the loyalty scheme company at least twice to see if the information Tesco Bank gave him was correct – and they confirmed – as the evidence I've seen also suggests – that Tesco Bank did give Mr C incorrect information"*. So I'm not persuaded that the compensation is excessive as a small monetary amount is proportionate in these circumstances and is in line with our published awards for compensation.

Although Tesco Bank have said Mr C has made several complaints and have brought them to our service, I must make Tesco Bank aware that we would investigate each complaint separately, so the outcome of any other complaint that Mr C would've brought to our service has no bearing on this complaint. In summary, the information which Tesco Bank provided me has not persuaded me to change the outcome of the provisional decision.

Putting things right

In my provisional decision I said I intend to uphold this complaint in part. I said I intend to ask Tesco Personal Finance PLC trading as Tesco Bank to pay Mr C £75 for distress and inconvenience. I'm still satisfied this is a fair outcome for the reasons given previously.

My final decision

I uphold this complaint in part. Tesco Personal Finance PLC trading as Tesco Bank should pay Mr C £75 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 28 November 2023.

Gregory Sloanes

Ombudsman