

## **The complaint**

Mr A is unhappy that Tesco Personal Finance PLC gave him incorrect information about his balance transfer.

## **What happened**

Mr A has a Tesco credit card. He says he regularly received offers from Tesco inviting him to transfer to it a balance owed to another lender at a 0% interest rate.

On 4 July 2023 Mr A made a balance transfer of £1,200 to his Tesco credit card using his mobile banking app.

About a week later Mr A received another offer from Tesco which said the 0% interest rate was available on balance transfers completed between 11 July and 4 August 2023. He phoned Tesco on 12 July to query the interest he'd be charged on the balance transfer he'd already made. Tesco's call handler told him his next statement would show a 0% interest rate if that's what he'd been offered in the correspondence he'd received.

When Mr A's next statement arrived on 8 August, he found he'd been charged interest at Tesco's normal rate. When he rang Tesco again, he was incorrectly told that the balance transfer had been made within the period when there was a 0% interest offer and that he should wait for his next statement.

At that stage he logged a complaint. In its final response to the complaint Tesco said he'd been told before completing the transfer using the mobile app that its standard rates would apply. But it acknowledged that Mr A had been given incorrect information by its call handlers. It apologised for that and paid £40 compensation into his account.

Mr A referred his complaint to this service. Our Investigator didn't uphold it. He didn't think a 0% interest offer applied to Mr A's balance transfer. He also thought the amount of compensation paid by Tesco was fair.

As Mr A didn't agree, the matter has been referred to me.

## **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.

The first question I need to consider is whether Tesco was entitled to charge interest at its normal rate. Tesco has provided evidence to show that there was no promotional offer in effect at the relevant time. In addition, when making the balance transfer on the mobile app, Mr A would have been told that its standard rates would apply. Mr A says he thought this meant that the standard rate would apply after the end of the 0% interest period but there was nothing in the message to indicate this and I don't think it was misleading. Mr A had to read that before clicking "next" to proceed, which he did.

I appreciate that the second call handler Mr A spoke to also thought the promotional rate applied. I'm not sure why he thought that.

Overall, I think Tesco did enough to warn him that the balance transfer he was about to make would attract interest. As there was no promotional offer available to Mr A at that time, I don't think Tesco treated him unfairly in charging him interest.

The crux of Mr A's complaint is the incorrect information he was given by Tesco's call handlers. I've listened to the calls and agree that in the first call he was given slightly misleading information. He was told that the transfer would qualify for 0% interest if it had been made within the timescale specified in the promotional offer. Tesco has explained that its promotional offers don't show on customers' accounts. So the call handler couldn't check whether an offer actually applied to Mr A's balance transfer and could only give generic information. I can understand why as a result of that conversation Mr A believed that the balance transfer would be eligible for the 0% interest rate. To its credit Tesco has also accepted this.

I need to consider the position Mr A would have been in if he'd been told he'd pay interest when he first contacted Tesco to discuss the balance transfer. He thinks that if he hadn't been told to wait for his next statement, he could have reversed the transfer and applied to do it again within the promotional offer period.

Tesco says that as no error had been made by it, it couldn't have recalled the funds if Mr A had asked it to. The most likely other option I can think of is that the funds could have been transferred by Mr A to another account and then transferred back to his Tesco account within the promotional period. But there's no guarantee that such balance transfer requests would have been accepted. So, I can't be sure that Mr A has actually suffered a financial loss as a result of the mis-information.

I think the second conversation is less important because the promotional period had ended by the time of the call. But again Mr A was wrongly informed about the 0% rate applying to his balance transfer.

What is clear is that Mr A suffered unnecessary disappointment and inconvenience by being given incorrect information. It's difficult to assess the right level of compensation in a case of this sort. Having thought about it carefully, I think Tesco has done enough to put things right. I agree with our Investigator that the sum of £40 already paid to Mr A is appropriate compensation for the trouble and upset he suffered. So, I won't require it to do any more.

### **My final decision**

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 13 June 2024.

Elizabeth Grant  
**Ombudsman**