

The complaint

Mr C complains that Tesco Personal Finance PLC trading as Tesco Bank provided poor customer service to him.

What happened

Mr C says that he received a text notification from Tesco on 15 May 2024 informing him that there had been a data breach, and he would get a new card sent to him. He says he was told he could still continue to use his card, and it would be with him within ten days. Mr C says that on 26 May 2024 he hadn't received his new card, and he was travelling overseas, safe in the knowledge Tesco told him he could continue to use his card.

Mr C says that on 28 May his card stopped working, which caused him embarrassment in three different shops he tried it in, so he called Tesco from overseas. He says he was told his original card was now cancelled as they had sent him a new card, therefore Mr C says he didn't have a valid card with him while he was overseas. He says he had to use his wife's business card. Mr C says that although he was able to use the card contactless in his phone wallet, this is limited in transaction value, and he didn't have his phone with him at all times. Mr C also had issues using the Tesco application (app) on his return from overseas. Mr C made a complaint to Tesco.

Tesco partially upheld Mr C's complaint and they paid him £75. They said the text told him they would send him a new card and it would arrive within ten days, and he could continue to use his existing card. They apologised the text didn't inform him his existing card would be cancelled within ten days. They said they were aware of an incident with some customers being unable to access the app, and the call handler Mr C spoke to advised him to keep trying the app. They said this was resolved later that day, and Mr C was able to complete his intended purchase. Mr C brought his complaint to our service.

Our investigator upheld Mr C's complaint. She said Tesco should pay Mr C an additional £75 in recognition of the distress and inconvenience the matter has caused. This would bring the total amount of redress up to £150.

Tesco asked for an ombudsman to review the complaint. They said Mr C had confirmed that he didn't receive his new card before he travelled overseas, so it would be reasonable to assume he would continue taking another payment method. They said Mr C advised them he was able to use his card via a digital wallet, so he wasn't without access to funds. They said when Mr C contacted them about the app issues, this was resolved within two hours of his call.

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.

While I'm satisfied that Tesco acted to protect Mr C's account by cancelling Mr C's physical card, the text message they sent him was clear that he would receive the new card within

ten days (this didn't mention working days), and it was clear he could continue to use his existing card.

The text message did not say that his existing card would be cancelled at any time. And while I can't fairly hold Tesco responsible for any postage delays, the text also doesn't explain he "*should*" get his new card within ten days, it clearly tells him he "*will*" get his card in the next ten days.

So I can't agree with what Tesco have said about it being reasonable to assume Mr C would take another payment method overseas when at no point had Tesco told Mr C that they would be cancelling his existing card. There is also an assumption on Tesco's part with this statement that Mr C had an alternative payment method with enough available funds to use while he was overseas.

So I can't fairly say that Mr C ought to have realised he wouldn't be able to use his card while he was overseas when he wasn't told this would be cancelled, and he hadn't received the new card in the timescales quoted by Tesco.

I've considered what Tesco have said about Mr C being able to use his card via a digital wallet, so he wasn't without access to funds. But while this might help mitigate what happened, there are limitations to this method of payment.

I say this because Mr C has explained that he doesn't always have his phone with him, and he didn't have this in his possession when he visited one of the merchants. In addition to this, there appears to be spending limits using this method.

So I've considered what would be a fair outcome for this complaint. In doing so, I need to be mindful of the impact the issues had on Mr C. As Mr C was overseas, then I'm persuaded that what happened here would affect him greater than if he was at home and the same thing happened.

I say this as if Mr C was at home, and if he did have access to an alternative payment method, then he could have used the other payment method whilst waiting for his new card to arrive when he would have found out from Tesco that his existing card was cancelled. But he would be unable to do that overseas.

It also would have impacted Mr C's trip abroad by having to call Tesco from overseas. He's told us that they had to use his wife's business card for some purchases which they needed to explain to her accountant what happened. And while I can't compensate his wife for any impact the issue had on her doing this, as she is not the eligible complainant under our rules, I do think this shows the impact of the issue on Mr C by him feeling he had no other way to purchase items of certain value overseas.

Mr C faced the embarrassment of his purchases being declined in three different shops before he contacted Tesco. He felt it could be the merchants equipment which was declining his transactions as opposed to his card being cancelled, so I can understand why he didn't ring Tesco after the first attempted purchase declined.

I also think that Mr C was inconvenienced by the app issues. While I understand this was resolved in two hours, Mr C was inconvenienced by having to ring Tesco about this.

So I'm not persuaded that the compensation Tesco paid Mr C was proportionate for the impact the issues had on Mr C. I'm satisfied that an extra £75 compensation to total £150 compensation is a truer reflection based on Mr C's individual circumstances here. So it follows that I'll be asking Tesco to put things right for Mr C.

Putting things right

Our investigator has suggested that Tesco pays Mr C a total of £150 compensation (less anything they have already paid him) for distress and inconvenience, which I think is reasonable in the circumstances.

My final decision

I uphold this complaint. Tesco Personal Finance PLC trading as Tesco Bank should pay Mr C a total of £150 compensation (less anything they have already paid him) 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 29 October 2024.

Gregory Sloanes
Ombudsman