

The complaint

Mr R complains that Tesco Personal Finance PLC trading as Tesco Bank (“Tesco”) failed to treat him fairly in the way it processed a pending transaction on his credit card account.

What happened

Mr R holds a credit card supplied by Tesco. On 18 April 2024 Mr R made a large purchase amounting to £10,000 using his credit card. That purchase was initially shown on his account as pending before being confirmed a couple of days later. Mr R added some funds to his credit card account shortly afterwards to allow his continued use of the card.

On 23 April Mr R’s credit card was declined in a local supermarket. At that time Mr R could see that although his confirmed spending on the card was less than half his credit limit, the available credit was shown as being zero. Mr R complained to Tesco about what was happening.

Tesco told Mr R that it appeared a duplicate pending transaction had been added to his credit card account. It said that the duplicate transaction had been cleared the following day and thought it had most likely been added by the retailer. So Tesco didn’t think it had done anything wrong and so didn’t uphold the complaint. Unhappy with that response Mr R brought his complaint to us.

Mr R’s complaint has been assessed by one of our investigators. She accepted that it wasn’t entirely certain what had happened here. But on balance she thought that Tesco’s explanation – that a duplicate pending transaction had been submitted by the merchant – was plausible. She said that there was no evidence that Tesco had done something wrong in how it had managed Mr R’s credit card account. So the investigator didn’t think the complaint should be upheld.

Mr R didn’t agree with that assessment. So, as the complaint hasn’t been resolved informally, it has been passed to me, an ombudsman, to decide. This is the last stage of our process.

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.

In deciding this complaint I’ve taken into account the law, any relevant regulatory rules and good industry practice at the time. I have also carefully considered the submissions that have been made by Mr R and by Tesco. Where the evidence is unclear, or there are conflicts, I have made my decision based on the balance of probabilities. In other words I have looked at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to, or should, have happened.

At the outset I think it is useful to reflect on the role of this service. This service isn’t intended to regulate or punish businesses for their conduct – that is the role of the Financial Conduct

Authority. Instead this service looks to resolve individual complaints between a consumer and a business. Should we decide that something has gone wrong we would ask the business to put things right by placing the consumer, as far as is possible, in the position they would have been if the problem hadn't occurred.

I am very aware that the findings I am reaching in this decision are unlikely to satisfactorily answer the questions that Mr R has posed. I understand how disappointing that will be for him. But, as I will go on to explain, I am satisfied that Tesco has provided us with its best information about what happened in April 2024. I don't think that Tesco now holds sufficient information to provide me with a definitive answer to Mr R's questions. From the information that I have seen, I cannot reasonably conclude that Tesco has done anything wrong here.

Mr R made a large payment using his credit card on 18 April 2024. That transaction correctly showed in a pending status before being debited to his account a couple of days later. And Mr R added some further funds to his credit card account that provided him with some available credit that meant he was able to make purchases with his credit card in the following days.

But it seems something happened around 22 April. By 23 April, when Mr R attempted to use his credit card, although his spending balance remained unchanged his available credit had reduced to zero. That caused Mr R some inconvenience and embarrassment when his spending in a supermarket was declined, and when he needed to reschedule some other transactions he had made with his card.

Tesco doesn't hold as much information as it would like to explain what happened on Mr R's credit card account – it says that some of the information about pending transactions is only temporary and deleted shortly after the transaction completes (or is cancelled). So it hasn't been able to confirm definitively what happened here. But, from the information it gathered at the time of Mr R's complaint it seems a further pending transaction of £10,000 had been applied to Mr R's account before being cleared the following day.

Mr R hadn't made a new transaction for £10,000. So it seems clear to me that an error occurred when it was added to his credit card account. But I, and Tesco, have been unable to determine why that additional duplicate transaction was added. Tesco thinks it likely it was as a result of some actions by the company that Mr R paid the £10,000 to on 18 April. Mr R thinks it was something that Tesco did as part of its overnight processing on 22 April. I cannot reasonably discount the possibility that either are true. So I cannot make a reasonable finding, on the balance of probability, that Tesco has done something wrong here. It might have duplicated some processing. Or alternatively it might have simply, and quite correctly, reflected a transaction that was posted by a third party.

As well as some recognition that something went wrong, Mr R is rightly concerned to understand why that error occurred so that he can understand whether he can take any steps to ensure that it is not repeated. My decision will not give him that reassurance. And so there remains the possibility that future instances might occur. I appreciate how frustrating and concerning that will be for Mr R. But without sufficient evidence that the duplicated charge was as a result of something Tesco did wrong, there is little I can direct the firm to do in order to put things right.

So, whilst I know how disappointing these findings will be for Mr R, I cannot reasonably conclude that Tesco has done something wrong here. I cannot determine why the duplicate pending transaction was posted to his account. And once that transaction was posted Tesco acted entirely reasonably in restricting Mr R's ability to spend using his credit card. So I don't think this complaint should be upheld.

My final decision

For the reasons given above, I don't uphold the complaint or make any award against Tesco Personal Finance PLC trading as Tesco Bank.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 28 October 2024.

Paul Reilly
Ombudsman