

## **The complaint**

Miss C complains that Tesco Personal Finance Limited trading as Tesco Bank have declined to raise a chargeback or a Section 75 (S75) of the Consumer Credit Act 1974 (CCA) claim for a city tour she was unhappy with.

## **What happened**

Miss C purchased three tickets for a tour in July 2024 through a merchant (who I'll refer to as 'G' throughout this decision).

Miss C was unhappy with the tour as she said elements weren't provided and it wasn't of a satisfactory quality. She contacted G to complain and it provided a partial refund, however this didn't resolve Miss C's dispute to her satisfaction. Miss C contacted Tesco Bank to raise a dispute as she'd used her Tesco Bank Mastercard credit card to purchase the service.

Tesco Bank declined to raise a chargeback claim on Miss C's behalf. It said Miss C had received the service she'd paid for, and as such there wasn't an appropriate chargeback reason code to dispute the transaction. It went on to consider whether it was liable for a like claim under S75 of the CCA, but it said the individual details didn't meet the necessary criteria of a S75.

Miss C complained about Tesco Bank's decision, and it issued a final response in September 2024 not upholding the complaint. It repeated its position that it hadn't made an error when concluding it couldn't raise a chargeback or S75 claim, based on the individual details of Miss C's dispute. It did however pay Miss C £30 as it said its communication could have been clearer.

Miss C didn't agree with Tesco Bank's response and referred her complaint to our service.

One of our investigators reviewed Miss C's complaint and didn't uphold it. She considered it had acted reasonably when not pursuing a chargeback claim on Miss C's behalf, given the available evidence. She also considered whether Tesco Bank were liable under S75 or Section 56 (S56) of the CCA. However, she didn't consider Tesco Bank were as the details of Miss C's dispute didn't satisfy either of the sections qualifying criteria.

Tesco Bank didn't respond to our investigator's view; Miss C replied and didn't agree. In summary she maintained her position that the tour she received wasn't as advertised or described, and therefore wasn't of the quality expected. Miss C asked for an ombudsman's review, so the complaint has been passed to me to decide.

## **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 information in this case is well known to Miss C and Tesco Bank; and I've seen our investigator set out the chargeback and S75 processes within their view. So, I don't intend to repeat this information here.

I'd like to assure both Miss C and Tesco Bank that I've carefully considered all of the evidence on file, even though I may not comment on it. This is because I've focused my decision on what I consider to be the key points of this complaint, and whether Tesco Bank has acted reasonably based on the rules it must follow and the obligations on it. I don't mean to be discourteous to Miss C or Tesco Bank by taking this approach, but this simply reflects the informal nature of our service.

I've set out below my findings on Tesco Bank's actions when it considered Miss C's dispute, under separate headings for ease.

#### The chargeback claim made on Miss C's behalf

Tesco Bank initially considered whether the transaction could be disputed via a chargeback claim. It said as Miss C's dispute was in relation to the quality of the service that had been provided, and that as Miss C had used the service, it couldn't raise a chargeback claim for the dispute on her behalf.

Having reviewed the Mastercard chargeback reason codes, I'm not persuaded by Tesco Bank's conclusions. However, for reasons that I'll go on to explain, I don't consider Miss C's dispute met other required conditions that would lead to a different outcome here.

I say this because I consider the chargeback reason code relevant to Miss C's dispute is "*Goods or Services were either not as described or defective*". This chargeback reason code includes the following condition:

*"2. The cardholder claimed one or more of the following conditions occurred:*

*...*

- Goods and services did not conform to their description. Examples include, but are not limited to:*
  - The cardholder claims that the quality or workmanship of the product is not as described.*
  - The cardholder claims that the specified color [sic], size, or quantity is not as described."*

So, I consider Mastercard's rules provide for a claim about the quality of a service.

However, as part of this chargeback reason code, a number of criteria must be met. Once such criteria is:

*"-The merchant refused to adjust the price, repair, or replace the goods or other things of value, or issue a refund."*

Miss C received a refund from G for around 20% of the total value of the tour. While some elements of the tour may not have met the description or quality that Miss C expected – reasonably so or otherwise – the merchant has adjusted the price and she's received a partial refund. I acknowledge elements of a service not being provided or fulfilled will likely impact the overall enjoyment of the whole experience. But Miss C did receive the service, at least in part, and as G adjusted the price by providing a partial refund, I don't consider her dispute meets the relevant criteria for a chargeback claim to succeed.

So, it therefore follows I don't consider Tesco Bank acted unreasonably by not raising a chargeback claim on Miss C's behalf.

#### A claim under the CCA

Tesco Bank went on to review whether the details of Miss C's dispute meant it was liable for a like claim under S75 of the CCA; and our investigator considered this too, as well as any liability Tesco Bank had under S56 of the CCA.

Tesco Bank set out that the total transaction value of around £240 was made up of three items, and that none of these items were individually more than £100. It therefore said it wasn't liable for like claim under S75 as it didn't meet the qualifying requirements – that being that an individual item must be more than £100, up to price of £30,000.

I've considered Tesco Bank's position, and I agree that while Miss C's transaction came to a total of around £240, this was for three items, none of which had an individual value of more than £100. The tickets could be purchased individually, and if one member of the group was unable to attend the other members were still able to. I'm therefore satisfied these tickets were individual and as such, the dispute doesn't meet the qualifying criteria of a S75 claim.

But, in any event, as our investigator set out, in order for Tesco Bank to consider a S75 claim, or a S56 claim for that matter, there needs to be a Debtor-Creditor-Supplier (DCS) agreement in place. If there are any additional parties this breaks the DCS agreement, and means the qualifying criteria of a S75 or S56 claim aren't met.

In this case it appears there are four parties to the service agreement Miss C purchased. Miss C (debtor), Tesco Bank (creditor), G (merchant providing the platform for the supply and purchase of goods/services), and a third party who supplied the tour (supplier).

I say this because G's terms and conditions state:

*"The contract for the provision of the Activity is concluded exclusively and directly between you and the Supplier ('Service Agreement'). When you buy an activity on the [G] Platform, you are not buying anything from us, but directly from the Supplier."*

The terms and conditions go on to state:

*"We do not offer any activities ourselves and therefore do not become your contractual party to any Service Agreement."*

So, I don't consider there was a DCS agreement in place when Miss C purchased the service, in this case the tour. Therefore the qualifying requirements for Tesco Bank to consider this dispute under S75 or S56 of the CCA isn't met.

It therefore follows I don't consider Tesco Bank has any liability for a like claim under either S75 or S56 of the CCA.

Tesco Bank did pay Miss C £30 as it felt its communication on why it couldn't consider her dispute under S75 could have been clearer. I consider this level of compensation is reasonable given this was in relation to clarifying information, rather than any change to the outcome of the dispute or complaint.

I am sorry to disappoint Miss C with my decision. I acknowledge her strength of feeling on this matter; but my role here is to decide if Tesco Bank has acted unfairly or unreasonably in dealing with her dispute, given the regulatory rules and obligations on it.

For the reasons set out above, I don't consider Tesco Bank has acted unreasonably by concluding it can't help Miss C with her dispute under the rules, regulations, and good industry practice that it should follow.

As such I'm not directing Tesco Bank to take any further action in resolution of Miss C's complaint.

### **My final decision**

My final decision is that I'm not upholding Miss C's complaint about Tesco Personal Finance Limited trading as Tesco Bank.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 18 July 2025.

Richard Turner  
**Ombudsman**