

## **The complaint**

Mr D is unhappy that Tesco Personal Finance Limited ('Tesco') didn't give him enough warning about the transfer of his account to Barclays Bank UK Plc ('Barclays').

## **What happened**

I issued my provisional decision on this complaint, inviting both parties to let me have any further comments. Below is a copy of what I provisionally decided and why.

*Tesco has sold its banking operations to Barclays, as a result, Tesco branded products will be operated by Barclays. Tesco issued a summary update on their website in February 2024 to make customers aware of the intended transfer and issued an information pack in July 2024. The transfer became effective in November 2024.*

*Mr D opened a savings account with Tesco via their website in March 2024, which provided a bonus interest rate for the first 12 months. Tesco also issued an update to their customers in July 2024 explaining the transfer to Barclays and how it affected accounts. Tesco confirmed that the only change to Mr D's account will be the name of the bank in the account terms and conditions (T&C).*

*Mr D didn't wish to bank with Barclays and has said the actions of Tesco have forced him to close his account. He complained to Tesco, but they didn't agree that an error was made as it was a business decision and there was no change to the function of the account. Dissatisfied, Mr D referred the complaint to us. He felt that Tesco should have told him about the pending changes when he applied for the account as they were aware of them in February 2024. He also sought compensation for the bonus interest he had lost out on by closing his account.*

*One of our Investigators reviewed and upheld the complaint, recommending £100 compensation as they felt that Tesco should have done more to highlight the transfer. So, they were responsible for Mr D having to change accounts.*

*Mr D accepted the outcome, but Tesco rejected it, providing evidence of the update on their website. However, the Investigator still felt that £100 was due as the information could have been included in the application process. Tesco remained unhappy and asked for an Ombudsman to decide the case. As such, the complaint has been passed to me.*

## **What I've provisionally 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.*

*Firstly, it's important to set out that firms are entitled to make commercial decisions and it's not our role to govern that decision. So, I'll be considering how the transfer has impacted Mr D's account and whether Tesco did enough to make him aware of the changes and any resulting impact.*

*I've reviewed the message Tesco had shown on their website in February 2024, and can see that there was also a clear heading for this on the front page of the site. This initial update confirmed that there would be no immediate impact on the account, and the communication sent in July 2024 confirmed that the only change to Mr D's account would be the name of the bank in the product information.*

*As Mr D's account was opened online, I think it's reasonable for Tesco to have expected him to see this message before opening the account. The change didn't impact how the savings account would function and the benefits it provided, which is something that should be considered.*

*While I appreciate that Mr D thinks a message in the application process would have prevented this complaint, I don't think it's reasonable for me to say that Tesco should have done it. Had the commercial decision resulted in significant changes to what the account offers then this may have been reasonable. But as the account still offered the same full benefits without any exit restrictions, I think the level of communication and the notice provided was reasonable in the circumstances. And therefore, there isn't a basis for requiring Tesco to pay compensation for this.*

*The account offered a 12-month bonus interest rate which is essentially a loyalty reward for remaining with Tesco for that period. Of course, it's up to Mr D to decide who he banks with. But if he no longer holds an account, there's no basis for him qualifying for the bonus interest or holding Tesco responsible for a lower interest rate he's got elsewhere. It follows that I won't be requiring Tesco to do anything more.*

*Overall, I think the level of communication provided by Tesco was reasonable based on the changes being made. As such, I don't think it would be reasonable to recommend that they pay any compensation, as they haven't made an error which led to Mr D losing out.*

### ***My provisional decision***

*My provisional decision is that I don't intend to uphold this complaint against Tesco Personal Finance Limited.*

### **Responses**

I asked for both parties to provide responses by 27 February 2025. Tesco responded accepting what I've said. Mr D responded asking that I re-evaluate my decision based on further comments he provided. To summarise – he said that the notice wasn't on their website when he applied for his account, and he doesn't think Tesco did enough to make him aware of the changes.

The case was passed back to me to reconsider.

### **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've taken Mr D's further comments onboard, however I don't think it gives me reason to depart from my provisional decision. I've seen website archives to support that the website notice was present from February 2024. So, while Mr D may not have seen the notice when applying for the account, I'm satisfied based on the evidence I've seen, that the notice was present.

I've considered Mr D's comments on whether the notice provided was enough. I've already explained in my provisional decision why I thought the notice provided was reasonable based on the circumstances. I considered the impact the changes had on the account in coming to my conclusions and I don't think the further comments change my view on this.

In view of this, I fully adopt that decision as part of this decision and conclude that Tesco don't need to do anything to put things right.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 15 April 2025.

Chris Lowe  
**Ombudsman**