

The complaint

Mr B is unhappy Barclays Bank UK PLC, trading as Tesco Bank ("Tesco"), won't reimburse him the money he lost when he fell victim to a scam.

What happened

The details of this case have been clearly set out by our Investigator. As such, the facts are well-known to both parties, so I don't need to repeat them at length here.

In summary, Mr B believed he was helping a friend who had emailed him. Unbeknown to Mr B a scammer had impersonated his friend and email address. This led to Mr B purchasing a voucher for £250 from a well-known e-commerce platform using his Tesco credit card. Mr B then provided the details of the voucher to the scammer which enabled the voucher to be used/redeemed.

Mr B realised something wasn't right when he was asked to buy further vouchers.

Mr B reported the matter to both the e-commerce platform and Tesco. Tesco initially credited Mr B's account with £250 while it investigated the matter but then re-debited the amount after its investigation. It concluded that Mr B had authorised the payment and was therefore liable for it.

Unhappy with Tesco's response, Mr B referred the matter to our service.

Our Investigator looked into the complaint and didn't recommend the complaint be upheld. They considered Mr B, despite being a victim of a scam, had 'authorised' the disputed transaction of £250 as Mr B had used his Tesco card details for the execution of the payment on the e-commerce platform.

They also didn't think Tesco ought to have done more to identify the payment as potentially fraudulent in the circumstances.

And they also considered there wasn't anything Tesco could have done to recover any funds as ultimately Mr B had paid for and received the goods/services from the merchant. So, the merchant had carried out the services requested of it.

Mr B has asked for the matter to be referred to an ombudsman, so it's 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.

Having done so, I'm not upholding Mr B's complaint. I know this will come as a disappointment to him as he was the victim of a cruel scam, but I'll explain my reasons why.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

Why the Contingent Reimbursement Model ('CRM') Code isn't applicable

First, I can see Mr B has raised whether the disputed payment he made, falls under the provisions of CRM Code. The CRM Code was implemented to reduce the occurrence of scams and provide increased protection from the impact of authorised push payment ('APP') scams, both through reimbursement and the reduction of APP scams. But the 'Definitions and Scope' of the CRM Code set out that it is in relation to payments that are '*a transfer of funds executed across Faster Payments, CHAPS or an internal book transfer*'. Here Mr B's payment wasn't an APP Faster Payment, he had sadly been duped into authorising the approval of a card payment to a merchant. So, as card payments aren't covered by the provisions of the CRM Code, it means it isn't an applicable consideration in this complaint.

The relevant law and regulations in place at the time

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the customer's account. This is set out within the 'Payment Service Regulations 2017' ("PSRs") and these are the relevant regulations in place here.

Under 'Section 67' of the PSRs it states:

"67.— (1) A payment transaction is to be regarded as having been authorised by the payer for the purposes of this Part only if the payer has given its consent to—

(a) the execution of the payment transaction; or

(b) the execution of a series of payment transactions of which that payment transaction forms part.

(2) Such consent—

(a) may be given before or, if agreed between the payer and its payment service provider, after the execution of the payment transaction;

(b) must be given in the form, and in accordance with the procedure, agreed between the payer and its payment service provider; and

(c) may be given via the payee or a payment initiation service provider."

The question I have to ask myself here is whether the payment transaction made is considered as authorised as set out by the PSRs. So, whether Mr B consented to the execution of the payment transaction. Consent, in this context, is explained as being given in the form and in accordance with procedure agreed between the payer (Mr B) and the payment service provider (Tesco). Consent is typically given by a consumer providing the relevant card details over the phone or entering them online, or by other means such as contactless or entering a PIN on a terminal or ATM. A consumer, using the card or its details in this way is, for the purposes of the PSRs, a consumer authorising a payment transaction. They have consented to the execution of the payment transaction by providing their card or the details of their card.

It is important to point out that consenting to the execution of a payment transaction is an objective test and it doesn't depend on what Mr B knew at the time he completed the procedure for giving consent.

Mr B provided/used the relevant card details for the transaction to be paid and was sent a one-time-passcode from Tesco to approve the payment. So, Mr B was aware of this payment (albeit under deception) and unfortunately, by providing or using his card details in this way, he has, in line with the PSRs, given his consent (in accordance with the procedure, agreed between him and Tesco) to the execution of the payment transaction.

This means that under the PSRs Mr B has authorised the card transaction of £250 and is therefore responsible for it. That remains the case even though Mr B was the unfortunate victim of a scam.

There are times when I might expect a bank to question a transaction or payment, even though it may have been properly authorised. Broadly speaking, firms like Tesco should be on the lookout for unusual or out of character transactions to protect customers from the possibility of financial harm from fraud.

In this case, I need to decide whether Tesco acted fairly and reasonably in its dealings with Mr B when he made the card payment or whether it should have done more than it did.

I've thought about this carefully. From what I've seen, there isn't anything unusual or remarkable about the card payment or the amount that ought to have alerted Tesco to the possibility Mr B was being scammed. Banks process a high volume of transfers and transactions each day. And a bank has to strike a balance as to when it should possibly intervene on a payment against not holding up or delaying its customer's requests. Here there was nothing remarkable about the payment or the amount, and I'm also mindful it was going to a legitimate merchant, so I don't think Tesco acted unreasonably in not flagging the payment for any further additional checks.

I appreciate Mr B contacted Tesco as soon as he discovered he had fallen victim to a scam – and Tesco initially credited Mr B's account while it investigated and then re-debited it. Sadly, despite the relevant protections afforded to some card payments (such as 'chargeback' or 'Section 75 of the Consumer Credit Act' claims) the nature of what happened here meant there was no chance for Mr B's funds to be reimbursed. Mr B had paid for a voucher and had received the voucher – so the merchant, whom any claim Tesco submitted would be made against, would defend its position that the goods/services that had been paid for had been provided.

I note that the payment was still showing as pending when Mr B reported the matter and he considers the payment instruction should have been cancelled as a result. I understand his frustration here, but, as our Investigator pointed out, once a payment has been executed it can't be recalled. Often payments, especially for goods/services, are paid for in real time and a service is provided in real time. So authorised payment instructions that have been executed cannot be recalled as it could arguably leave merchants at risk of people obtaining goods and then contacting their bank to cancel the payment request.

Overall, while I appreciate Mr B's been the unfortunate victim of a scam, I think Tesco's decision not to refund him in this instance was fair and reasonable in the circumstances. I say this because I'm satisfied that Mr B, by providing/using his card details, consented to the execution of the payment transaction. Tesco followed Mr B's instructions to make the payment and I haven't seen any reason why it shouldn't have done this. And, as Mr B received the goods he paid for, unfortunately, there was no other mechanism in which Tesco could reimburse Mr B his funds.

My final decision

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 16 October 2025.

Matthew Horner
Ombudsman