

The complaint

Mrs T complains that Barclays Bank UK PLC trading as Tesco Bank ("Tesco") sent funds from her credit card account to the wrong recipient when she requested a balance transfer.

What happened

On 11 February 2024, Mrs T instructed a balance transfer from her Tesco credit card to another credit card she held with another provider, who I'll refer to as "B". The transfer was for £5,500.

Several weeks later, Mrs T contacted Tesco because the balance transfer she'd instructed hadn't been received into her other credit account with B, even though it was showing as having left her Tesco's account. Tesco's asked Mrs T to confirm the card details she instructed the transfer to, and it transpired that the funds had been sent to the wrong account details. The number Mrs T read out to Tesco on the phone, the number on her card with B, didn't match the number on the transfer. Tesco then started an investigation as to where the funds had been sent in an attempt to recover the funds.

Ultimately, B couldn't recover the funds, and so Tesco passed this information onto Mrs T.

Mrs T disputed that she had input the wrong number on the transfer. And she said that Tesco should have done more to check the details the balance was being transferred from.

Tesco didn't uphold Mrs T's complaint about the transfer. It said it hadn't made an error in transferring the funds. But it did agree that it had provided Mrs T with incorrect information on one of the calls and so it paid her £30. And it refunded the balance transfer fee as a gesture of goodwill.

The Investigator considered what both parties had said but didn't think the complaint should be upheld. They explained that upon being notified of a problem, Tesco contacted B the following working day. And it ultimately couldn't get the funds back. The Investigator also explained that there was no requirement for Tesco to check the details of the receiving account, as it wouldn't have had this information available to it.

Mrs T didn't agree with the Investigator's view, and so the complaint has been passed to me to decide on the matter.

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 considered all of the evidence available to me, it is my decision not to uphold Mrs T's complaint. I appreciate this decision will come as a disappointment to her, however I will explain my reasons for this in more detail.

I feel that the key factor of this complaint is whether Mrs T instructed the initial balance transfer correctly or not. Mrs T believes that she did instruct the transfer correctly. But when the recipient card number that Tesco's processed the initial transfer to was checked, it was confirmed that it wasn't the correct number.

In order to complete the transfer, Mrs T was required to enter the details of the account for the balance she was transferring. In order for the funds to go to the correct account, the reference number for the transfer would need to be the card number for the other credit card. This is how the funds are allocated to the other account.

Mrs T feels that Tesco's processed the transfer to an incorrect recipient. But Tesco has explained that it processed the transfer to the recipient card details provided to it by Mrs T when she initiated the transfer via the mobile banking app. I have been provided a screenshot of Tesco's system which takes the recipient card details from their customer inputs. Tesco has confirmed that there is no human intervention when the funds are sent, it also explained that there were no known technical issues at the time Mrs T made the transfer that could have caused it to have been sent to the wrong account.

I find Tesco's position to be the more persuasive here, because I'm satisfied that Tesco has been able demonstrate that it processed the initial transfer to the card details provided by Mrs T. And I also feel that it's considerably less likely that Tesco's system would generate an incorrect recipient card number in this one instance rather than what I feel is the more plausible alternative that Mrs T keyed in the wrong card number. Because of this, I don't feel that Tesco should be considered accountable for any of the consequences of the transfer not completing correctly. Instead, I feel that what most likely happened is that the initial transfer didn't complete correctly because of an error made by Mrs T.

I note Mrs T says there should be better measures in place to check that the funds are going to the correct receiving account. I can understand Mrs T's concerns here, especially in the circumstances of this case. That being said, there is a requirement on the person entering the information to ensure they are sending funds to the correct details. Tesco has been able to provide me with the process Mrs T would likely have gone through when initiating the transfer, and this prompts her to check the details of the transfer, tick a box and select submit to process the transfer. So, I'm satisfied Tesco did prompt Mrs T to check the transfer information before submitting the request. In addition to this, there is no requirement on Tesco to check with a customer that the details are correct. And it was up to Mrs T to have done this when she made the transfer. Again, I can't fairly find that Tesco has done anything wrong here.

Where a firm is notified of a transfer having gone to the wrong details, I would expect it to act quickly to try and recover the funds. Tesco weren't aware of a problem until 22 March 2024. And I can see that it contacted B the next working day. I'm satisfied that it acted quickly in contacting B once it had been notified of a problem. And it kept Mrs T updated with the progress of the investigation.

I note that Tesco has agreed to compensate Mrs T with £30 for some incorrect information she received during a phone call, I think this is fair in the circumstances.

Having considered everything available, there really is very little evidence to suggest that Tesco has done anything wrong here. I can't see that it was the cause in the error of the wrong details having been sent with the transfer, it wasn't required to check the details, and it acted quickly to try and recover the funds once it had been notified.

I would like to offer my sympathies to Mrs T. I appreciate that she'll find this decision incredibly disappointing - I can understand why. She has lost out on a significant sum of

money, which would undoubtedly feel unfair to her. In reaching my conclusion, I don't wish in any way to downplay or disregard the situation Mrs T is in. But being independent means, I have to take a step back and consider what both parties have said. And having done so, for the reasons I've explained, I don't find that Tesco has done anything wrong.

My final decision

For the reasons set out above, I don't uphold Mrs T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 28 May 2025.

Sophie Wilkinson
Ombudsman