

The complaint

Mr S complains that Barclays Bank UK PLC trading as Tesco Bank declined his transactions and blocked his card.

What happened

Mr S holds a credit card with Tesco Bank. He's unhappy that his card was declined when he tried to make a purchase in a Tesco supermarket. He tried to pay using contactless but was asked for his PIN. Mr S entered his PIN, but the transaction was declined and he had to pay for his purchases using an alternative card.

Mr S found the experience humiliating and embarrassing. He complained to Tesco Bank about his card being declined and about the service he'd received from staff in the supermarket.

Tesco Bank didn't uphold the complaint. In its final response it said it wasn't able to discuss the actions of the staff in the Tesco store because Tesco Bank and Tesco Stores were two separate legal entities, Tesco Bank being part of Barclays Banking Group UK Plc and Tesco Stores being part of Tesco Plc. Tesco Bank advised Mr S to take up his concerns about the staff with Tesco Stores directly. In relation to the card, Tesco Bank said that having reviewed the activity on the account for 14 November 2024, it could confirm that six transactions were unsuccessful because Mr S had reached the number of contactless transactions allowed before having to enter his PIN. Tesco Bank said that a further two transactions attempted in Tesco Stores were declined due to the high number of unsuccessful transactions that had been attempted using the contactless feature, and that a temporary block was placed on the card for security reasons. Tesco Bank said it understood the inconvenience caused to Mr S but said it hadn't made an error.

Mr S remained unhappy and brought his complaint to this service.

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 know it will disappoint Mr S but I agree with the investigators opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on those points which are most relevant to my decision. If I don't comment on a specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Firstly, I'd like to explain that I'm unable to look into the service that Mr S received from staff at the supermarket where his card was declined. Staff in the supermarket are employed by Tesco Stores which is part of Tesco Plc. This service is only able to look into complaints which are about regulated activities carried out by financial businesses. Tesco Plc is a retailer and not a financial business.

In addition, Tesco Plc (the retailer) is a completely separate business to Tesco Bank, who are the entity that issued Mr S's credit card and about whom Mr S has complained about. Tesco Bank used to be part of Tesco Personal Finance PLC. In November 2024 Barclays Bank UK PLC bought Tesco Bank from Tesco Personal Finance PLC. Tesco Personal Finance PLC was never responsible for Tesco Plc and neither is Barclays Bank UK PLC.

Therefore, I won't be commenting on the aspects of Mr S's complaint which relate to the way he was treated by staff at the supermarket. If Mr S wishes to pursue a complaint about this, he will need to raise it with Tesco Plc.

I've gone on to consider the reasons why Mr S's card was declined and whether Tesco Bank has treated Mr S fairly and reasonably.

I've reviewed the terms and conditions of the account. These state that card holders will occasionally be asked to enter their PIN when making contactless transactions as a security measure.

Tesco Bank has explained that on 14 November 2024, Mr S attempted several transactions which were declined because he had reached the contactless payment limit. This limit can vary but generally when a customer has spent a cumulative amount of £300 via contactless, they will be asked to enter their PIN. A customer may also be asked to enter their PIN if they have made a large number of smaller contactless transactions, even if the cumulative total of £300 isn't reached.

The system notes show that on 14 November 2024 attempted several contactless transactions which required him to enter his PIN. The system notes show that Mr S didn't enter his PIN straightaway and continued to try and use the contactless method. Due to the number of times that contactless transactions were declined, a temporary block was placed on the card as a security measure to protect against potential fraud.

The terms and conditions of the account state that Tesco Bank may suspend or restrict the use of the card for several reasons, including where they reasonably consider it necessary to protect the security of the account.

In this case, I think it was reasonable for Tesco Bank to put a temporary block on the card. I say this because Mr S had attempted several contactless transactions without using his PIN and from Tesco Bank's perspective, this could have been a situation where Mr S's card had fallen into the wrong hands, so it was reasonable to block the card as a security measure to protect against potential fraud.

Mr S has made the point that he was able to use the card to make a purchase on Amazon after his card was declined in the supermarket. Tesco Bank has explained that the temporary block remained on the card for one day only i.e., 14 November 2024. The transactions to Amazon took place early the following day, by which time the temporary block had been removed.

I appreciate that Mr S was caused frustration and inconvenience when his card was declined and temporarily blocked. However, I'm satisfied that Tesco Bank acted in in with the terms and conditions of the account, so I'm unable to say that they made an error or treated Mr S unfairly.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 29 May 2025.

Emma Davy
Ombudsman