DRN-5572655

The complaint

Mr M complains that Barclays Bank UK PLC, trading as Tesco Bank, failed to warn him of the consequences of his credit card being blocked whilst abroad and failed to help when this happened.

What happened

Mr M travelled with his family on a foreign holiday in September 2024 and called Tesco Bank beforehand so it would be alert to transactions and asked about any additional procedures to follow. He said he was only told to use his PIN as usual.

At a stopover Mr M's credit card was declined. Mr M couldn't reach Tesco Bank but was later told his card was blocked due to use of an incorrect PIN. He was told he could unlock the card at an ATM, which he described as time consuming and unsuccessful only for Tesco Bank to apologise for misinformation as this is only available in the UK. Tesco Bank then said Mr M's card would be locked for the remainder of his trip as it couldn't be unlocked.

Mr M said his family were then stranded abroad with no access to funds as the credit card was the only method of payment. Mr M said he spent a number of days contacting friends and family to get money sent so he could meet his costs, and they had to avoid planned activities as they didn't have sufficient funds.

Mr M complained to Tesco Bank. He said there was nothing to indicate he'd used an incorrect PIN or that once blocked a customer must return to the UK to unblock their card. He said Tesco Bank made no effort to help or suggest alternatives while he was away.

Tesco Bank said an incorrect PIN was entered three times and the card was automatically blocked. Tesco Bank apologised to Mr M for misinformation about unlocking his card whilst abroad and the long call times and paid him £100 compensation. It said it couldn't help whilst Mr M was abroad as it's a two-stage process that both the customer and bank must follow.

Mr M wasn't satisfied with this response and referred his complaint to our service. He said Tesco Bank's £100 compensation in no way covers the directly related inconvenience and disruption to his family's trip from the incorrect advice he'd received. Mr M said he wanted to be compensated for his family's inconvenience, stress and costs incurred.

Our investigator didn't recommend the complaint be upheld. He said Tesco Bank's system shows an incorrect PIN was entered and it hadn't made an error. The investigator said he wasn't aware of any financial loss incurred by Mr M and, as he didn't contact Tesco Bank again until back in the UK, he thought Mr M had been able to fund his trip through other means, so any disruption was minimal. He said the compensation is reasonable for the misinformation Tesco Bank provided.

Mr M disagreed with the investigator and requested an ombudsman review his complaint. He said the investigator was wrong to conclude that he had not suffered any financial loss. He said Tesco Bank had a duty to inform him of the limitations that apply when using the card overseas, but on 'a full review of the terms and conditions' there is no mention of them.

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 was sorry to learn that what should have been a straightforward process of using a credit card abroad has turned into a difficult and prolonged experience for Mr M. My role is to determine whether Tesco Bank has treated Mr M fairly and reasonably.

What's not in question is whether Tesco Bank made mistakes. They acknowledged that they should have provided Mr M with clear and accurate information and were responsible for misinforming him about unlocking his card.

Mr M considers Tesco Bank's mistakes to be wider than it has acknowledged as he says its terms and conditions for card holders make no mention of the limitations that apply when using the card abroad. This is correct and is in common with most security procedures operated by bank card providers.

Tesco Bank said it doesn't consider travelling to create a greater risk of fraud and there is no separate security - the account would be restricted as it would in the UK. Tesco Bank said it recommends customers notify an intent to travel so that it can support transactions queried whilst abroad. This is consistent with Tesco Bank having told Mr M that whilst it could add a note to his profile, its systems and processes would work in the same way. However, its website states there's no need to notify this as the credit card will work as it does in the UK.

Mr M said Tesco Bank didn't advise that should the card be blocked, it wouldn't be usable until a return to the UK. Nor that a pin-lock can occur off a single wrong entry. He said Tesco Bank has a duty to bring to his attention any relevant information that could have a negative impact on his use of the card or cause detriment. Mr M said Tesco Bank don't provide clear information to customers of the restrictions on resetting any pin lock having to await a return to the UK as it would make customers choose alternative options.

I agree that key facts about the use of the credit card need to be brought to customers' attention. We would generally expect this to be via the card provider's website. Tesco Bank provides information to customers about using a credit card abroad on its website, FAQs: '*What do I need to know before using my Tesco Bank Credit Card abroad? Should you block your PIN whilst abroad, you may not be able to unblock it using a foreign ATM.*' I understand the ATM restriction is common to all cards backed by the underlying card provider.

It's not clear to me why Mr M goes on to say that this information is of no benefit and gives an example of this being inaccessible to an elderly and partially sighted customer. I would expect such a customer to inform the bank of their vulnerability and for the bank to make reasonable adjustments. Accessing a bank's website is the most common means by which customers obtain information about the products and services they use.

Notwithstanding the above, I can understand why Mr M felt let down having been careful enough to call the bank about his intentions and take advice before he travelled. However, it is worth bearing in mind that Tesco Bank (or any bank) don't guarantee that customers won't experience any interruptions to service from using their credit cards. Tesco Bank said whilst it could add a note to Mr M's profile, its systems and processes would work in the same way.

Tesco Bank said the interruption to Mr M's service came when he entered his PIN incorrectly three times whilst away and the card was blocked to protect him and the bank from fraud. Mr M doubts that he entered an incorrect PIN, but Tesco Bank's records show the PIN reminder being automatically issued, which occurs immediately upon the PIN becoming locked. Tesco Bank unlocked Mr M's PIN but he needed to use an appropriate ATM to complete the process. Tesco Bank's actions are a standard banking security practice in these circumstances and so I'm satisfied it wasn't responsible for the card's failure.

Mr M said a situation where you are abroad and must wait to return to the UK in order to reset a card seems quite ridiculous. I have some sympathy with this, as fraud prevention measures taken while a customer is abroad, have greater implications for account access than when a customer is at home.

Unfortunately, when correctly advising Mr M, that his PIN was blocked, Tesco Bank said he could unblock his card if he located an appropriate ATM. Whilst this is correct in the UK, not all ATMs abroad have the capability to unblock the PIN and Tesco Bank didn't make Mr M aware of this. Tesco Bank said Mr M then visited two different ATMs to attempt to unblock his PIN, as he told Tesco Bank on a call on 18 September 2024. Tesco Bank said it had no further contact from Mr M until 30 September, when in the UK he tried to locate further ATMs to unblock his card, and this occurred on 2 October.

I understand that when a PIN becomes blocked the only means of unblocking the card is to locate a suitable ATM that has the unblock function, and that is generally within the UK. Banks are unable to intervene to prevent the need for the ATM unblock part of the process as this involves verification required from the call holder. To this extent Tesco Bank has followed the correct procedure in respect of the block to Mr M's credit card.

Tesco Bank's records also state that, '*customer must call to unblock their card'*. Mr M said he tried to contact Tesco Bank with lengthy wait times, causing him to resort to email. Tesco Bank acknowledged that it experiences peaks in call waiting times and advises use of its automated service.

I'm glad to see that Tesco Bank apologised and offered Mr M compensation. I hope that they see this complaint as an opportunity to review the training it gives to its advisers in respect of the advice they give to customers who have problems abroad.

Mr M seemed to indicate his credit card was their only method of payment whilst away, but he told Tesco Bank on 16 September that they also had his wife's card, albeit it wouldn't cover the entire cost of their trip. He hasn't provided evidence of loans he received whilst away. Mr M said his family had to skip meals and he costs the loss of enjoyment at £440. But subsequently set out costs totalling £500, in part built up from an hourly rate for his time.

Our service does not award an amount for a consumer's hourly rate as we try and reach a figure we think is a fair reflection of the impact of what has happened. And we can only consider the impact on Mr M as the complainant. Having reconsidered the compensation, I think a total of £200 would more reasonably reflect the distress and inconvenience Mr M was caused by Tesco Bank. I say this in consideration of the calls Mr M made from the hotel and the taxi to go to banks to try and unblock his card.

I am sorry to learn that this problem has upset Mr M deeply. I agree that he has been caused frustration and inconvenience by Tesco Bank's poor customer service. But the key point here is that the card's failure was not due to any mistake by Tesco Bank and once it was blocked the card was unusable until Mr M returned to the UK, regardless of the misinformation from Tesco Bank.

Our guidance describes compensation of £200 as fair in respect of, '*repeated small errors or a larger single mistake, requiring a reasonable effort to sort out'*. Tesco Bank has agreed to this increase in compensation although it considers its original payment to be fair.

Our service investigates the merits of complaints on an individual basis and that is what I've done here. I think it's important to explain that my decision is final. I realise that Mr M will be disappointed by this outcome as he has said that £200 is inadequate compensation. By rejecting this decision all options remain open to him, including making his case to the bank as to why £500 compensation is fair, and/or taking legal action.

My final decision

For the reasons I have given it is my final decision that the complaint is upheld. If Mr M accepts this decision, I will require Barclays Bank UK PLC to pay Mr M £200 compensation for the distress and inconvenience that it caused him. Barclays can deduct the £100 compensation it has already paid Mr M from this sum.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 23 September 2025.

Andrew Fraser
Ombudsman