

The complaint

Mr A complains about the outcome of a claim about a payment dispute made to Tesco Personal Finance Limited trading as Tesco Bank.

What happened

In March 2024, Mr A paid £250 towards a consultation with a medical service provider, who I'll call X. Following the consultation, Mr A was provided with a prescription for medication by X. He was unable to obtain the medication due to stock issues. Mr A paid for the consultation using his Tesco Bank credit card. He raised a payment dispute to Tesco Bank for the cost of the consultation and his claim was declined.

The full background of the complaint was outlined in my provisional decision dated 16 May 2025 so I will not repeat it here. In my provisional decision I concluded:

- The only remaining matter that requires consideration in the decision is whether Mr A should be awarded compensation for Tesco Bank's refusal to process a chargeback dispute, thus delaying resolution of this matter for him.
- The invoice was for a consultation and this service was received. Mr A states the services were not as described or otherwise defective as he received a prescription for medication which could not be fulfilled. However, X would likely have defended the chargeback as temporary medication shortages were not within its control and it had offered to provide alternate prescriptions which would allow Mr A to obtain the medication in smaller batches.
- Having considered all the information I found that the chargeback dispute had little prospect of success and so it was not unreasonable for Tesco Bank to refuse to process the chargeback based on the information it had at the time.
- I also found that there was not enough evidence to suggest there was a misrepresentation which induced Mr A to enter the contract, or that there had been a breach of contract. So, I did not find that Tesco Bank had been unfair in declining Mr A's claim under Section 75 of the Consumer Credit Act 1974 (Section 75 CCA) either.

Tesco Bank accepted the provisional decision and had nothing further to add. Mr A disagreed with the provisional decision and provided the following for consideration:

- Further information about the issues he had attempting to have the prescription fulfilled and the issues with the prescription and the way it was written.
- Further information about the purpose of the consultation and how this purpose was unfulfilled as the practitioner knew or ought to have known about the medication shortage. This meant Mr A derived no benefit from the consultation and it was performed without due skill and care.

- Further information about the impact of these events on Mr A.
- Comments that Tesco Bank should have requested the chargeback without holding itself out as the arbiter of whether a service has been delivered, as a dispute was raised by its customer with valid reasons for doing so.

I have now considered the matter again, alongside the further information provided and have set out my final determination below.

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 have reached the same outcome as outlined in my provisional decision for the same reasons as explained in that document.

I have carefully considered both the purpose of the consultation, and the difficulty Mr A had in obtaining the medication. I appreciate Mr A lost faith in X, that X was at first defensive rather than helpful when Mr A explained the issues he was having, and Mr A was sent on an extremely inconvenient path when he tried to obtain the medication. But eventually X offered a suitable resolution when it said it would provide the prescription in a format which meant that Mr A would have been able to obtain the medication.

When a payment dispute is raised, a card issuer will review the claim against the possible reasons for a chargeback and look at whether it would be able to make a successful claim for the customer. Card issuers do not have to submit claims and usually will only do so, if it is likely to be successful. We don't expect them to raise a claim if there is little prospect of success.

I understand Mr A feels Tesco Bank should not make judgment on the validity or strength of a claim and should put the chargeback request forward when valid reasons for wanting to raise one are provided. However, a chargeback is based on the card scheme rules rather than the merits of the dispute in question, and Tesco Bank does have some discretion to consider whether the dispute would be successful before raising it. It must do so in line with the chargeback rules, but it does need to consider the information put before it to decide whether to proceed.

Initially X was defensive in its responses to Mr A. There was a high probability that X would have defended the claim and argued that the services and a reasonable remedy had been provided. Based on X's likelihood of raising a defence and the information available about the resolution offered, I find the prospects of a successful chargeback dispute were low. I appreciate there is the additional issue of whether continuity of the medication was possible, but I don't find this would have affected any outcome of a chargeback dispute as it focuses on the services paid for rather than future considerations. I understand the provider has offered a refund now, but this does not change my findings based on the information available about the behaviour of X at the time that this dispute was ongoing.

I appreciate Mr A has provided further information now which helps us understand the claim better. However, I have been asked to consider whether Tesco Bank made a reasonable decision at the time the dispute was raised and based on the information Mr A provided to it about the dispute I continue to find that it treated Mr A fairly when considering his chargeback request.

I've also reconsidered the claim under Section 75 CCA and whether this is affected by any of

the information provided and I don't find that it does. I conclude therefore that Tesco Bank did not treat Mr A unfairly when considering his claim. So, I don't find any compensation is due to be awarded to Mr A.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 3 July 2025.

Vanisha Patel
Ombudsman