

The complaint

Mrs M complains Barclays Bank UK PLC trading as Tesco Bank won't refund two transactions made from her credit card account which she says she didn't make or authorise.

Mrs M is represented by Mr M.

What happened

Mrs M holds a credit card account with Tesco Bank. Mr M is an additional cardholder.

In October 2024, Mr M reported two transactions on the account as fraudulent. Tesco Bank initially told Mr M the transactions had not debited the account, so there wouldn't be anything to pay. But Mr M noted the transactions continued to show on the Tesco Bank app and then a direct debit payment was taken from an external account covering the disputed amounts.

Mr and Mrs M complained to Tesco Bank. It said it had not been made aware the transactions were fraudulent but acknowledged this should have been picked up when Mr M called to report them as such in October 2024. In total, Tesco Bank paid £180 for the problems experienced in trying to report the transactions. But it said the fraud team would be in touch to discuss the transactions themselves. By this time, Mr M had already contacted our service.

An Investigator considered the circumstances. She said, in summary, that Tesco Bank had not demonstrated that Mr or Mrs M had authorised the transactions in question and so Tesco Bank ought to refund them. She thought what Tesco Bank had already paid in respect of the customer service issues was fair.

Tesco Bank didn't accept the Investigator's findings. It said it had tried to contact Mr and Mrs M in relation to the disputed transactions but had had no response and so Tesco Bank weren't obliged to refund the transactions in the circumstances.

As Tesco Bank didn't agree, the complaint'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.

Under the Payment Services Regulations 2017, generally, Tesco Bank can hold Mrs M liable for the disputed transactions if the evidence suggests that she – or the additional cardholder - made or authorised the transactions. The Payment Services Regulations also make provision for the Consumer Credit Act 1974 to apply, and where a credit facility has been used, the relevant legislation is section 83 of the Consumer Credit Act 1974.

When Mr M initially reported the transactions to Tesco Bank, it said they hadn't debited the account so there was nothing to refund. But Tesco Bank was referring to two attempted

transactions to the same merchant that had taken place on different dates, which weren't the same transactions Mr M was referring to.

Tesco Bank says it isn't obliged to refund the transactions because it hasn't had an opportunity to investigate them. But Tesco Bank also now accepts that Mr M reported the transactions in October 2024, though as I've explained, there was some confusion on Tesco Bank's behalf that meant it didn't acknowledge this until December 2024. At which point Tesco Bank told Mr M it'd arrange for the fraud team to contact him to discuss matters.

Tesco Bank's notes show a call was made and voicemail left on 18 December 2024 – Mr and Mrs M say they didn't receive this message. And there was no further contact between Mr and Mrs M and Tesco Bank. But either way, the transactions appear to have been made online, Mr M says neither he nor Mrs M authorised them. While I accept it's sometimes necessary to ask additional questions as part of a fraud investigation, here it's not clear what additional information Tesco Bank felt it needed to obtain before it could decide whether to refund the transactions. And, it could have raised a chargeback to obtain further information about the transactions if it couldn't speak with Mr or Mrs M.

Tesco Bank's provided evidence that the transactions were made using "credentials on file". This suggests the transactions were made online using the card details. Tesco Bank have said they can't provide any evidence to demonstrate whether it was Mrs or Mr M's specific card that was used. And use of the card details alone isn't sufficient to demonstrate the transactions were authorised. Having reviewed everything provided by Tesco Bank, it hasn't provided anything which would demonstrate Mrs M, or the additional cardholder, authorised the transactions.

Mr and Mrs M deny providing the card details to anyone else, so it remains unclear how they came to be used by an unauthorised party. But the nature of online fraud is such that we may never know for sure how the card details were compromised. And in any event, Tesco Bank has not provided anything to show the transactions were authorised. So I find Tesco Bank isn't entitled to hold Mrs M liable for them and should refund them.

Mr and Mrs M also complained about the difficulty they had getting through to speak to someone at Tesco Bank about the transactions and then also, about the handling of matters. Tesco Bank has already paid a total of £180 in respect of these issues. Considering what Mr and Mrs M have told us about the impact this had – particularly that Tesco Bank didn't immediately note which transactions were being disputed and it took two months for this to be corrected - I'm satisfied this is fair and reasonable in all the circumstances.

My final decision

For the reasons I've explained, I uphold this complaint.

To put things right, I require Barclays Bank UK PLC trading as Tesco Bank:

- Rework the account to the position it would have been had the disputed transactions never taken place.
- If Mrs M paid off these transactions, Tesco Bank should pay Mrs M 8% simple interest on these amounts from the date they were paid off to the date of settlement. If Tesco Bank considers it's obliged to remove tax from this interest, it should tell Mrs M how much it has taken off. Tesco Bank should give Mrs M a certificate showing how much tax it's taken off, if Mrs M asks for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 11 December 2025.

Eleanor Rippengale
Ombudsman