

The complaint

Mrs R has complained that Barclays Bank UK PLC trading as Tesco Bank ("Tesco Bank") delayed transferring the proceeds of a savings account to her.

What happened

Mrs R held a savings account with Tesco Bank that matured on 14 March 2025. The interest earned from the savings account was paid into Mrs R's nominated account on 14 March 2025, but the capital from the savings account wasn't paid into her nominated account until 18 March 2025. Unhappy with this delay, Mrs R complained to Tesco Bank.

Tesco Bank issued its response to the complaint and didn't uphold it.

After Mrs R referred her complaint to this service, one of our investigators assessed the complaint and they didn't uphold it either.

As Mrs R didn't accept the investigator's conclusions, the matter was referred for an ombudsman's decision.

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 everything, I don't uphold this complaint for broadly the same reasons that the investigator gave. I will explain why.

Mrs R has complained because, when her savings account matured, she received the interest she'd earned on the account immediately, but there was a delay in receiving the initial amount of money paid into the savings account.

Tesco Bank has explained that the reason for this, is because its systems are set up so that interest earned is paid out using the faster payments service, and the capital amount i.e. initial amount paid into the account, is paid out to the nominated account using the BACS payment service. It says it does this because the initial amount paid into the type of savings account that Mrs R had can sometimes be substantial and sometimes larger than its £100,000 faster payment limit. So to avoid any complications paying out the proceeds from matured savings products, Tesco Bank uses two payment methods.

Mrs R says this is unfair as the amount in her savings account was £2,000, so could've easily been sent by Faster Payments. But I think using BACS is a reasonable and legitimate method to securely send money to someone's bank account. And I don't think it's the case that, because other financial businesses Mrs R may've used processed payments faster than this, means that Tesco Bank is at fault for using BACS to process some of its payments. Ultimately, the payment method used is a reasonable exercise of a financial business commercial discretion, and I think that Tesco Bank has given a reasonable explanation as to why it has made the payments in the way it has.

In the lead up to the account maturing, Mrs R was told that the interest and capital would be paid to her separately. It was made clear that the interest would be paid immediately to her nominated account and that the capital would be paid to her by BACS - which can take up to

3 working days. So, Mrs R was given notice how the proceeds in the matured account would be paid out to her.

As such, whilst I recognise that Mrs R may've been unhappy with the delay in receiving the capital from the matured savings account, I can't say that Tesco Bank was being unfair or unreasonable in paying her money in that way.

Mrs R says that the payment methods used are not stipulated in the terms and conditions, and so says the use of BACS is unreasonable. But again, I don't agree. The terms and conditions say the money from the account would be paid into the nominated account once the account matured, and that is what happened here. The fact there was (as far as Mrs R is concerned) a delay in that money reaching her account because of the payment method used, doesn't mean that Tesco Bank has failed to adhere to the account terms and conditions.

I note that the account matured on Friday 14 March 2025, and the capital was paid into Mrs R's nominated account on 18 March 2025. The timing of the account maturing just before a weekend is unfortunate, given how urgently Mrs R wanted her money. But it looks like the money was paid within the 3 *working day* time limit that applies to BACS payments, and so I can't see that Tesco Bank has done something wrong here.

Mrs R also complained that she was unable to access her account once it'd matured. But the terms and conditions do say that once the account is matured, the account is closed down. So it would seem that Mrs R was no longer able to access the account as Tesco Bank was in the process of closing it down as it'd matured. Again, I can't say that Tesco Bank has done something wrong by doing that.

Therefore, as I don't think Tesco Bank has acted unfairly or unreasonably in this matter, I don't think it is reasonable to say that Tesco Bank should pay Mrs R interest on her money, whilst she waited for the BACS payment to be processed. Nor do I think any compensation is warranted.

My final decision

Because of the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 8 October 2025.

Thomas White
Ombudsman