

## **The complaint**

Mrs D complains that Barclays Bank UK Plc trading a Tesco Bank ('Tesco') mistakenly processed her direct debit when she'd already paid her credit card bill, and Tesco didn't provide an explanation for this.

Mrs D wants an explanation and for the sums taken by direct debit to be returned. She's also seeking compensation for her distress and inconvenience.

## **What happened**

Mrs D paid her credit card statement balance on 11 May 2025, but Tesco still took her direct debit on or around 3 June 2025. When Mrs D complained about this Tesco said Mrs D would need to contact her bank to cancel her direct debit if she'd made a manual payment and didn't want the direct debit to be taken. Tesco suggested Mrs D make an indemnity claim for a refund of the direct debit amount.

Mrs D was unhappy with Tesco's response, particularly that Tesco said they would have been unaware she'd made a manual payment. Mrs D was worried that Tesco might be calculating interest incorrectly if they weren't keeping track of the balance, and said she'd refrained from using her card until she had clarity. Mrs D said this matter had caused stress which had exacerbated her health condition, and she wanted Tesco to treat her more compassionately.

Our investigator thought Tesco had followed their usual process for direct debit collection and there hadn't been a mistake. However, she thought Tesco hadn't communicated fairly when engaging with Mrs D about this and should have explained why the direct debit was taken. Our investigator thought there had been a missed opportunity to better support Mrs D with the way she wanted to use her account. Our investigator recommended Tesco pay Mrs D £100 to recognise her distress and inconvenience.

Tesco disagreed they'd got things wrong and sought 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.

I've taken into account any relevant law and regulations, the regulator's rules, guidance and standards, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

Having done so I uphold Mrs D's complaint as I don't think Tesco have communicated fairly with her in these circumstances. I think Tesco should pay Mrs D £100 to recognise her distress and inconvenience. I'll explain why, though my reasons are broadly similar to our investigator's.

It's clear there was no mistake when Mrs D's direct debit was taken in June 2025. A direct debit will be taken when there is a balance on Mrs D's account. Mrs D had paid her statement balance on 11 May 2025 but had made another purchase using her credit card before the direct debit was due. This meant there was an account balance, which triggered the direct debit to be taken. I won't be asking Tesco to return the amount taken by the direct debit in June 2025. I think Tesco fairly explained how Mrs D could reclaim this, if she didn't want it to be credited towards her next statement.

I think the main issue here is that Mrs D contacted Tesco saying *"I paid my statement balance, however you have today mistakenly taken a £25 payment on top... I would like an explanation of why the direct debit was taken when the statement was paid in full,"* but Tesco didn't provide an explanation to Mrs D. Tesco responded that Mrs D was advised on her statement that her direct debit would be taken and she needed to cancel her direct debit if she didn't want this to happen.

I've considered Tesco's obligations under the Consumer Duty, which the Financial Conduct Authority's Handbook introduced as a higher standard for their engagement with their customers. This requires Tesco to *"act to deliver good outcomes to retail customers"* and the Handbook sets out how this can be achieved.

In the context of this complaint this means I'm looking at whether Tesco took steps to support and enable Mrs D's understanding of how and when her direct debits were taken, so she could make informed decisions when managing her account.

I agree that Tesco didn't engage fairly with Mrs D when she asked about this, and Tesco missed an opportunity to support her. I think Tesco could reasonably have informed Mrs D that her direct debit was taken on this occasion because she had an account balance due to her recent purchase. This would have reassured Mrs D that no mistake had been made, and would have likely helped her manage the timing and amounts of her manual payments going forwards.

Prior to the Consumer Duty the Financial Conduct Authority expected firms to provide customers with information that was clear, fair and not misleading. Even if I didn't consider the higher standards set by Consumer Duty, I would still find that Tesco fell short here in terms of how they engaged with Mrs D and the information they provided. I say this because Tesco didn't address Mrs D's concerns that the direct debit had been taken in error, nor did they provide an explanation as requested. I don't think this was fair to Mrs D in these circumstances.

I'm mindful that Mrs D has had to refer her complaint to the Financial Ombudsman Service to understand what has happened here, and I think it would have saved Mrs D distress and inconvenience if Tesco had provided an explanation earlier. In these circumstances I think Tesco should pay £100 to Mrs D to recognise the distress and inconvenience caused. I'm satisfied that's a reasonable sum and in keeping with our guidelines for awards of this nature.

### **Putting things right**

Barclays Bank UK Plc trading as Tesco Bank must pay £100 to Mrs D for her distress and inconvenience.

### **My final decision**

For the reasons I've given, Barclays Bank UK Plc trading as Tesco Bank must put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 28 October 2025.

Clare Burgess-Cade  
**Ombudsman**