

The complaint

Mr C has complained that Barclays Bank UK PLC trading as Tesco Bank “Tesco” did not deal fairly with his request for help when seeking a refund from a merchant.

What happened

The circumstances leading up to this claim aren’t disputed so I’ve only briefly set them out here. On 4 April 2025, Mr C used his Tesco credit card to pay for a vehicle inspection from a supplier I’ll refer to as A. The inspection included a range of services including wheel balancing and a tyre guarantee. In total he paid £129.96 but each component of the overall service he paid for had a separate cost attached to it. For example, the wheel balancing element of the service cost £21. Mr C says that at the time, A offered him advice in relation to the brakes and told him his brakes likely need replacing. The advice was free and based solely on a visual inspection.

Mr C said, following the inspection, he felt the wheels hadn’t been balanced properly so he paid a different garage £18 to check and re-balance the wheels. Additionally, Mr C paid £36 for another garage to give him a second opinion about his brakes. This garage did a full brake check and felt the brakes didn’t need to be immediately replaced.

Mr C then complained seeking a full refund of the service he’d paid for amounting to £129.96, the £18 he’s paid the second garage for the wheel balancing, and £36 for the second opinion on the brakes and £200 compensation for distress and inconvenience caused.

A responded that it felt the wheels had been properly balanced during its inspection and if Mr C wasn’t happy with this, he ought to have returned the vehicle to get this checked. It also pointed out that its visual check of the brake was limited and is not the same as a full brake check completed by the other garage. It had offered to complete a full brake check for him, so it didn’t think it had done anything wrong. However, to settle the dispute, A refunded £18 that Mr C had paid to have his wheel balanced again, and £16.98 for the Master service (guarantee) that Mr C no longer wanted.

Unhappy, Mr C raised a dispute with Tesco. He wanted Tesco to reimburse him the remaining costs that A had refused to consider.

Tesco considered a chargeback claim under the “not as described/defective service” reason code of the Tesco chargeback rules. The only component Mr C could challenge was the tyre balancing as that was the only paid for service he wasn’t happy with. But A had already refunded £18 for this, so Tesco didn’t think it could proceed with a chargeback claim any further. Tesco also considered a claim under section 75 of the Consumer Credit Act 1974 (section 75). But it said Mr C’s transaction didn’t meet the requirements to raise a section 75 claim as the tyre balancing didn’t meet the financial limits required to enable Mr C to raise such a claim. Unhappy Mr C complained (through our service). Tesco declined the complaint for much the same reasons.

Unhappy, Mr C referred his complaint to this service. He felt that his transaction was for more than £100 so ought to be covered under a section 75 claim.

Mr C's complaint was considered by one of our investigators. She however didn't think the complaint should be upheld for much the same reasons as Tesco. She didn't think its response to Mr C's chargeback claim was unfair, and pointed out that the wheel balancing didn't cost more than £100. She also said the advice about the brake discs that Mr C was unhappy with was free. So, she didn't think Mr C could raise a claim under section 75.

Mr C remained unhappy and reiterated his earlier points. Mainly that he felt section 75 did apply as the transaction was more than £100, and the free advice wasn't a stand-alone service but given alongside the vehicle inspection he paid more than £100 for. He said the advice amounted to a misrepresentation. Our investigator didn't agree so as the complaint couldn't be resolved by our investigator, I've been asked to make a 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.

Firstly, I'd like to reassure Mr C, that I have considered all his concerns carefully, but I will only be dealing with the most salient parts of his complaint in this decision as I'm required to decide matters quickly and with minimum formality.

In deciding this complaint, I'm only considering the actions of Tesco and how it handled Mr C's complaint. I'm not looking at the actions of A as part of this complaint. Tesco is only responsible for ensuring that Mr C's claim for a refund is correctly processed in line with the chargeback rules and is only liable for responding to a section 75 claim in some instances. Tesco is not responsible for everything A did that Mr C might be unhappy with.

Having considered everything very carefully, I have to tell Mr C that I'm not going to uphold his complaint, and I'll explain why.

Chargeback request

A chargeback is the process by which payment settlement disputes are resolved between card issuers and merchants, under the relevant card scheme rules. It allows customers to ask for a transaction to be refunded in a number of situations, some common examples being where goods or services aren't provided, where goods or services are defective or not as described, or where a credit isn't processed in line with a merchant's refund policy. In this particular case, an appropriate reason might be that the service received was "defective".

The chargeback rules lay down strict conditions which must be satisfied for a chargeback claim to succeed – so customers aren't guaranteed to get a refund through this process. If Tesco thinks that a claim won't be successful, it doesn't have to raise a chargeback. But where there's a reasonable chance of success, I'd expect Tesco to raise a chargeback.

It's important to note that chargebacks are decided based on the card scheme's rules – in this case Mastercard – and not the relative merits of the cardholder/merchant dispute. So, it's not for Tesco – or me – to make a finding about the merits of Mr C's dispute with A, or whether or not the chargeback rules are fair. Tesco's role is to consider if Mr C has met the conditions required to enable it to raise a chargeback on his behalf.

This service cannot look at a complaint against A directly, so I can only assess whether Tesco has progressed Mr C's chargeback claim correctly in line with the chargeback rules.

Tesco can only raise a chargeback claim on Mr C's behalf if its satisfied from the evidence provided that his claims meet the requirements needed to raise a chargeback. So, Tesco isn't deciding whether A treated him fairly or A breached the contract or misrepresented matters to him. Tesco is expected to look at the facts and assess whether Mr C's request meets the requirement to make a chargeback request in line with MasterCard rules. Chargeback scheme only allows for a refund to be requested for the actual service being complained about, so consumers cannot claim a full refund for all services if only one aspect was defective. So, in this case in order to proceed with a chargeback claim, Tesco could only raise a claim in relation to the wheel balancing. The advice around the brake replacement wasn't something Mr C paid for so there is nothing to refund under the chargeback scheme. The chargeback scheme also has no provision for additional compensation for distress and inconvenience.

In order for Tesco to proceed with a claim under chargeback scheme for this case, Tesco would have to show from the evidence Mr C provided that the service Mr C received was defective. This would be difficult as A said the wheels were balanced correctly, and it wasn't given an opportunity to check this before Mr C paid another garage to re-balance the wheels. So A didn't agree the service was defective and couldn't now check it was defective. Tesco would also have to show that after Mr C complained to A, that A refused to adjust the price, repair, or replace the goods or other things of value, or issue a refund. But A had refunded Mr C the £18 he paid the second garage to re-balance his wheels as a gesture of goodwill despite not agreeing that the service had been defective.

Bearing in mind the above, I don't think it was unreasonable for Tesco to conclude that it was unable to proceed with the chargeback claim any further. As I don't think Tesco made any errors in the way it progressed Mr C's claim I don't find there are grounds for me to direct Tesco to offer Mr C a remedy in relation to his chargeback claim.

I want to make clear that the chargeback process only enables consumers to claim a refund for the amounts directly charged onto the credit card used and only for the portions that's being challenged. It has no provisions for consequential losses or compensation for distress and inconvenience. So, these aspects couldn't be considered by Tesco under a chargeback claim. Overall, I don't think the way Tesco handled Mr C's chargeback claim was unreasonable, so I don't uphold his complaint.

Section 75 claim

Mr C has made it clear he feels A hasn't completed the wheel balancing correctly, so he had to pay £18 to have this rectified. He's also claimed the advice he received regarding the brakes on his vehicle amounts to a misrepresentation as the other garage didn't agree that they were in need of immediate replacement.

Section 75 is a statutory protection that enables Mr C to make a like claim against Tesco for breach of contract or misrepresentation by a supplier paid by credit card in respect of an agreement it had with him for the provision of goods or services. But there are certain conditions that need to be met in order for section 75 to apply.

One of those conditions is that section 75 doesn't apply to a claim so far as the claim relates to any single item to which the supplier has attached a cash price not exceeding £100 or more than £30,000. In this case as the individual components Mr C paid for, including the wheel balancing, cost less than £100, section 75 doesn't apply.

I've thought about Mr C's comments that he paid more than £100 in a single transaction, but when assessing whether section 75 applies, it is not the number of transactions or the

amounts a consumer paid on the card which is relevant. It is the cash price the supplier attached to the goods or service being complained about that is relevant. Here the service being complained about is the wheel balancing which cost significantly less than £100, and the advice about the brakes which didn't have a cost attached to it at all – it was free. Nothing Mr C paid for cost more than £100 so, section 75 simply doesn't apply. This means, whatever claim Mr C may have against A, cannot be brought against Tesco under a section 75 claim.

I therefore don't think Tesco's refusal to consider the merits of Mr C's claim under section 75 is unreasonable. I want to make it clear that I haven't considered the merits of Mr C's claim as Mr C cannot bring that claim against Tesco. So, I haven't made any findings in relation to his claim for misrepresentation (in relation to the advice he received), or breach of contract (in relation to the wheel balancing) or his claim for compensation for distress and inconvenience. Mr C may have rights directly against A, but this service cannot consider complaints directly against merchants like A, so if Mr C would like to pursue this matter any further against A, he'd have to do so outside of this service.

I sympathise with Mr C, and I can see why he would be so disappointed with not being able to get his claim paid through Tesco. But unfortunately, the chargeback rules are very specific and don't allow the amounts he's requested to be paid out because Mr C's claims against A may have merit. It only allows refunds to be requested under a very narrow set of circumstances with strict conditions that have to be met, and as explained above, I don't think Tesco made any errors during its investigation. And his claim under section 75 doesn't meet the financial limits required to make a claim against Tesco.

Considering everything I've said, I find no grounds to direct Tesco to pay Mr C the money he has claimed. And any complaints Mr C has against A, have to be directed against A and outside of this service. I'm very sorry I haven't been able to assist Mr C any further.

My final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 18 December 2025.

Asma Begum
Ombudsman