

The complaint

Miss V has complained Barclays Bank UK PLC, trading as Tesco Bank, won't refund her for a credit card transaction she didn't make.

What happened

When Miss V received her monthly Tesco credit card statement in April, she noticed a transaction for £59.77 that she didn't recognise. As she didn't believe she'd made this transaction, she asked Tesco to refund her.

Tesco felt it was most likely Miss V had made this transaction as their evidence showed the physical card had been used to make the payment.

Unhappy, Miss V brought her complaint to the ombudsman service.

Our investigator noted Tesco's evidence of the timing of the card being used. She could also see Miss V's evidence that she was some way away at that time and it would have been impossible for her to have made this transaction herself. She asked Tesco to refund Miss V and amend her credit card accordingly.

Tesco continued to feel Miss V must have made this transaction. They've asked an ombudsman to consider Miss V's complaint.

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've reached the same outcome as our investigator. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

It's worth stating that I can choose which weight to place on the different types of evidence I review, including technical evidence, provided by financial institutions along with complainants' persuasive testimony.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

The regulations which are relevant to Miss V's complaint are the Payment Services Regulations 2017 (PSRs). These primarily require banks and financial institutions to refund customers if they didn't make or authorise payments themselves.

Having reviewed the evidence, I believe there is sufficient to show that Miss V most likely didn't authorise this disputed transaction. I say this because:

- Miss V has gone to some lengths to share evidence from her employment showing her movements that day. She exited her office at 17:12. The disputed transaction took place at 17:44 at a location more than 30 miles away from Miss V's office. I'm satisfied there's no way that Miss V could have been in the location where the disputed transaction was occurring.
- That said, Tesco's evidence seems straightforward in that Miss V's physical credit card was used, in a contactless manner, to complete a transaction for £59.77. I also appreciate that this doesn't look like most fraudulent transactions.
- It is unusual for an unknown third party to take – and replace – a card when carrying out a disputed transaction. But this is a card Miss V didn't use that regularly as can be seen from her statements and her mobile banking record. So I can see that she may not have noticed it was missing immediately.
- The PSRs don't require me to identify how fraud happens. I just need to be able to identify scenarios which mean that this is what I believe could have taken place. In this case, based on Miss V's testimony and evidence, I don't believe she made this disputed transaction nor is there any evidence she authorised anyone else to use her card. I also wonder why – if this had been her – she'd be so intent on reclaiming such a small amount of money back.

Putting things right

Tesco will need to refund £59.77 to Miss V. If there has been any interest or fees charged to her credit card account because of this disputed transaction, these amounts will have to be removed along with any negative markers on Miss V's credit record.

My final decision

For the reasons given, my final decision is to instruct Barclays Bank UK PLC, trading as Tesco Bank, to:

- Refund £59.77 to Miss V;
- Remove any interest or fees charged to Miss V relating to this transaction; and
- Remove any negative markers on Miss V's credit record.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss V to accept or reject my decision before 26 November 2025.

Sandra Quinn
Ombudsman