

The complaint

Mr R complains that Barclays Bank UK Plc trading as Tesco Bank ('Tesco') restricted cash withdrawals on his credit without notice, but told him his card would work.

Mr R wants Tesco to explain the reason for the restriction and remove it. Mr R wants Tesco to recognise the distress they've caused him.

What happened

In December 2024 Mr R asked Tesco if he could use his credit card if he paid money to his account. Tesco told Mr R a payment would give him an available balance to spend.

Mr R complained to Tesco when he couldn't withdraw cash on his credit card to pay for a prescription. The pharmacy didn't have a working card machine.

Tesco didn't uphold Mr R's complaint. Tesco said the terms and conditions of Mr R's account allowed them to restrict the use of his card. Tesco told Mr R what they'd considered when making their decision. Tesco didn't agree they'd told Mr R he could make withdrawals on his card when he'd telephoned them.

Mr R asked the Financial Ombudsman Service to investigate. Our investigator said Tesco had acted fairly and in line with the terms and conditions of Mr R's account.

Mr R disagreed and asked for an ombudsman's decision. He said he was a vulnerable customer, and Tesco had prevented him from using his benefit income. He wanted the reason for the restriction on his account and said he should have been given 30 days' notice. Mr R said Tesco's treatment had been "barbaric" and had jeopardised his health.

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. I've also considered what was good industry practice at the time.

The Financial Ombudsman Service doesn't make rules for financial businesses. This means I can't tell Tesco to change their policies or procedures. That is the role of the regulator, the Financial Conduct Authority ('FCA').

Having thought carefully about Mr R's complaint I have decided not to uphold it. I'll explain why, though I mainly agree with the investigator.

The terms and conditions for Mr R's credit card account say:

"5. Transaction types, timings and restrictions.

You can use your card to make purchases, cash withdrawals and cash transactions. We may apply a limit on the amount of cash you can withdraw from an ATM in one day..."

Mr R says the word "amount" suggests there will be a figure he can withdraw. I disagree as I think the "amount" could be zero, as in no amount.

I agree that Tesco didn't have to give Mr R notice when they restricted cash withdrawals on his credit card. Mr R's terms and conditions only say 30 days' notice should be given when Tesco change interest rates, fees and charges.

In relation to restrictions, Mr R's terms and conditions say:

"9. Suspensions and restrictions

In certain circumstances, we'll need to suspend or restrict the use of your account. We'll only do this for a good reason, including when:

- We have reasonable grounds to suspect fraud, misuse of the account or criminal activity*
- There's a significantly increased risk you may not be able to pay us (for example, if you're being declared bankrupt, we receive new information from a credit reference agency or you're regularly missing payments for other Tesco Bank products)...*

If any of these circumstances apply to you or your account, where possible, we'll try to contact you before we take any action. We'll always tell you why we've done what we've done, unless it's illegal to do so, or goes against reasonable security measures."

I agree it's reasonable that Tesco didn't give Mr R advance notice and a chance to make the cash withdrawals Tesco were trying to prevent. It's not unusual for some changes to be made without notice, although I can understand why Mr R would prefer to have known.

I agree the decision to restrict Mr R's account was taken fairly. I say this because Tesco based their decision on reasonable considerations such as how Mr R used the card, his credit file, and his other financial commitments. Tesco say they will keep reviewing the restriction, which I think is fair.

I agree it was fair that Tesco gave Mr R the main reason for the restriction. I wouldn't expect Tesco to give Mr R more details of their lending criteria or considerations. This is private business information and Tesco are allowed to not give this information under the terms and conditions of Mr R's account.

I agree that Tesco should consider Mr R's vulnerability when talking with him and handling his account. But I don't agree this means Mr R is allowed to know the exact reason for the restriction on his account, or that Tesco couldn't place the restriction.

I have listened to the telephone call between Tesco and Mr R on 19 December 2024. Mr R discussed making a payment to increase his available credit limit. Mr R and Tesco didn't talk about cash withdrawals, so I don't agree that Tesco misinformed Mr R that he could withdraw cash.

I accept Mr R was upset and frustrated that he couldn't pay for his prescription at the pharmacy. Mr R feels this is the direct result of the restriction on his credit card, and that Tesco have prevented him from having access to his medication and his money.

I don't agree Tesco are responsible for Mr R not being able to pay for his prescription. I think part of the problem was that the pharmacy wasn't accepting card transactions. And Mr R had

transferred his benefit income from his bank account to his credit card because he wanted to keep using the card to build his credit score. This meant Mr R didn't have access to cash at the time.

I think this was an unfortunate series of events. I can't reasonably hold Tesco responsible for Mr R's troubles when Tesco didn't know about the pharmacy or that Mr R couldn't access cash another way. Tesco were allowed to restrict cash withdrawals on Mr R's credit card. Had Mr R's pharmacy accepted card payments, or Mr R been able to attend another pharmacy, Mr R would have been able to use his credit card to pay.

I'm aware that Mr R sometimes overpays his credit card so he has a positive balance, although Mr R's terms and conditions say he should try and avoid his account going into credit. Tesco will refund overpayments that create a positive balance, though I think the timing of this will depend on how long the account remains in credit.

In December 2024 Mr R made payments towards his credit card debt, but he didn't pay more than he owed. So I don't agree that Tesco prevented Mr R from accessing his own money in December 2024. Rather, Mr R was prevented from withdrawing the money he wanted to borrow from Tesco.

In conclusion, whilst I accept Mr R is very unhappy with Tesco, I don't agree that Tesco treated Mr R unfairly in these circumstances. I am sorry to disappoint Mr R, but this means I don't uphold his complaint.

Mr R indicated he wants to close his account. He can choose who he banks with, just as Tesco can choose how they lend to their customers. To close his account, I think Mr R will need to contact Tesco and arrange to repay any balance.

My final decision

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

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

Clare Burgess-Cade
Ombudsman