

The complaint

Mr M complains about how Barclays Bank UK PLC trading as Tesco Bank (“Tesco Bank”) dealt with a claim he made to them in relation to a dispute he has with a garage.

What happened

In March 2025, Mr M paid £622.97 to a company I’ll call ‘L’ using his Tesco Bank credit card. The payment was for L to carry out a service on his car.

Mr M says L damaged his car (specifically, the brakes) and therefore didn’t carry out the service. He contacted Tesco Bank to raise a dispute. They considered whether they could raise a chargeback for Mr M but didn’t raise one. Mr M says Tesco Bank then actively tried to discourage him from making a claim under Section 75 of the Consumer Credit Act 1974 (s75) by threatening him with the costs he would incur, such as the need for an independent inspection of the car. Mr M also said Tesco Bank refused to consider his claim appropriately because they insisted incorrectly that he had to provide an invoice showing what L had contractually agreed to do.

Mr M complained to Tesco Bank, but they didn’t uphold this other than accepting they told him they wouldn’t contact L directly about the dispute but then decided to do so. Tesco Bank offered Mr M £25 for this.

Mr M remained unhappy and referred his complaint to our service. Our investigator didn’t think Tesco Bank handled Mr M’s claim fairly. He said Tesco Bank had enough information to raise a chargeback. And he said Tesco Bank didn’t handle the s75 claim fairly because they took the position that the issues with the car’s brakes didn’t relate to the service L had agreed to provide on the car, whereas Mr M had evidence to show that works to the brakes were required as part of this.

Our investigator felt Tesco Bank should pay Mr M £200 compensation for their mishandling of his claim and by causing him unnecessary distress and inconvenience.

Mr M felt the compensation was inadequate as it made it financially beneficial for Tesco Bank to break the rules rather than honour them.

Tesco Bank didn’t agree with our investigator’s view. They said they had no documentation from Mr M to enable them to raise a chargeback and that they acted appropriately when they considered the s75 claim.

As the matter remains unresolved, Mr M’s complaint has been passed to me to decide.

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 want to acknowledge I’ve summarised the events of the complaint. I don’t intend any discourtesy by this – it just reflects the informal nature of our service. I’m required to decide

matters quickly and with minimum formality. But I want to assure Mr M and Tesco Bank that I've reviewed everything on file. If I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues, which our powers allow me to do.

What I need to consider is whether Tesco Bank – as a provider of financial services – has acted fairly and reasonably in the way it handled Mr M's request for getting money back.

I've thought about the specific card protections that are available. In situations like this, Tesco Bank can consider assessing a claim under s75 or raising a chargeback.

Initially, Tesco Bank thought about raising a chargeback, but they didn't then do this. From what I've seen, this was because Tesco Bank felt they didn't have the required documentation from Mr M.

Mr M's claim was that L didn't carry out the required service to his car as they damaged its brakes. The most appropriate chargeback reason code under Mastercard's chargeback rules likely would have been: '*Goods or Services Were Either Not as Described or Defective*'.

The requirements under this code were that Mr M would need to show that all the following conditions occurred:

- He engaged in the transaction with L.
- He contacted L or attempt to contact them, to resolve the dispute.
- L refused to adjust the price, repair or replace the goods or other things of value, or issue a refund.

Mr M would also need to show that the services L agreed to provide didn't conform to their description; the example given in the rules for this was that the claim being made was the quality of workmanship wasn't as described.

I think Mr M was able to show that all the above conditions were met, bearing in mind L hadn't agreed to refund Mr M at that point. And the chargeback rules specified that the evidential requirement for Mr M to provide supporting documents to Tesco Bank weren't limited to him being obligated to provide an invoice. The rules stated that Mr M could send Tesco Bank a description of his complaint in '*sufficient detail to enable all parties to understand the dispute*', and a reasonably specific description of the services he purchased. It also sets out that Mr M could *optionally* send in documentation supporting his dispute.

The other potential chargeback code could have been 'Goods or Services Not Provided'. The requirements for Mr M were similar to those for '*Goods or Services Were Either Not as Described or Defective*' and there was no requirement within this for Mr M to send in documentation such as an invoice or what works were due to be carried out.

I realise Tesco Bank may have wanted to see what services L agreed to provide to Mr M. But I'm satisfied Mr M had met the evidential requirements and threshold needed for Tesco Bank to have raised a chargeback. Whether the chargeback would have succeeded at that point is difficult for me to determine, although L eventually did refund Mr M the £622.97 he paid them. So, it's quite possible they would have agreed not to dispute the chargeback.

Tesco Bank also considered whether Mr M had a valid claim under s75. This is a statutory protection that enables Mr M to make a like claim against Tesco Bank 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.

There are certain conditions that need to be met for s75 to apply, one of which is that a debtor-creditor-supplier (DCS) agreement was in place. I've looked at Tesco Bank's s75 notes, and it seems they originally felt Mr M wasn't able to demonstrate the necessary DCS agreement was in place for this, because he hadn't shown documentary proof he had a contract in place with the company he paid with his credit card (i.e. L).

I can understand Tesco Bank's position on this to some extent as the criteria for the DCS agreement to be in place can be strict and technical. And it seems this prompted them to contact L to try to obtain any paperwork to help them establish whether, for example, someone other than L had contractually agreed to service his car.

Tesco Bank were then told by L that they had refunded Mr M the £622.57. So, that was one of the reasons why Tesco Bank didn't uphold Mr M's s75 claim. However, I've also seen they questioned whether the issues with the car's brakes were related to the agreement Mr M had in place with L to service the car. I don't though agree with this. Mr M was able to provide evidence in the form of the manufacturer's handbook showing that works to the car's brakes were needed as part of the service. So, any issues with the brakes that Mr M claimed were caused by L might have led to L breaching their contract with him. Tesco Bank could have asked Mr M to provide any evidence linking the brakes to the work agreed to be carried out by L, but they didn't do so.

I don't feel though that Tesco Bank actively discouraged Mr M from raising a s75 claim. I appreciate Mr M feels otherwise. But I don't think them saying, for example, that an independent report was needed was a case of them trying to prevent Mr M from raising a claim. Often, an independent report is good evidence to help establish that the issues reported were present and caused by a particular party. I also have to bear in mind that I haven't seen any evidence showing the brakes were damaged and/or that this was caused by L. Mr M told our investigator that he was intending on asking The Motor Ombudsman to consider how L acted, which I assume includes consideration of this issue.

Overall, I think Tesco Bank could have handled this dispute better than they did, for the reasons I've set out above. But Mr M has received the money back from L that he initially disputed, and I've not seen evidence that L damaged the brakes on the car, or that Tesco Bank had evidence to show this either.

With the above in mind, I think Tesco Bank should pay Mr M compensation for how they handled this dispute and the inconvenience they caused to him by this. I find that a payment of £200 is a fair amount and I will be directing Tesco Bank to pay this to Mr M.

I note that Mr M has said our service should investigate other instances where Tesco Bank have mishandled s75 claims for their customers. But my decision is purely focussing on how Tesco Bank dealt with Mr M; we don't have the remit to conduct the investigation that Mr M wants us to.

Putting things right

Tesco Bank should pay Mr M £200 for how they handled his claim and the inconvenience this caused him.

My final decision

I uphold this complaint and direct Barclays Bank UK PLC trading as Tesco Bank to pay Mr M £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 29 April 2026.

Daniel Picken
Ombudsman