

## The complaint

Mr G complains that Barclays Bank UK Plc trading as Tesco Bank won't refund him the money he says he has lost in a scam.

## What happened

The background to this dispute is well-known to both parties, so I haven't set it out in detail here. Instead, I've summarised what I consider to be the main points.

Mr G made three payments using his Tesco Bank credit card to buy access to trading account services with an overseas merchant. Mr G says after he purchased these services, he quickly discovered persistent irregularities with the services, questionable trading behaviours and, in short, he considers the facilities were rigged to prevent traders like him from being able to earn any money for the services he bought. He doesn't consider he has had a fair opportunity to use the service he paid for.

He first made a payment to this merchant, in December 2024. He says at the time he assumed he was making mistakes when using the service, but when he purchased new services and encountered issues in early April 2025, he noticed patterns, outages at key moments, delays and other issues. When he complained to the merchant, he says his access to their services was removed.

Mr G made the following payments to the merchant.

Date	Amount	Payment type	Destination
26/12/2024	£363.10	Credit card payment	Merchant
31/03/2025	£406.88	Credit card payment	Merchant
06/04/2025	£406.87	Credit card payment	Merchant

On 16 April 2025, Mr G asked Tesco Bank to pursue refunds on his behalf through the card scheme's chargeback process or to refund him in accordance with section 75 of the Consumer Credit Act.

Tesco Bank responded to say it didn't consider there were valid chargeback rights and there was no evidence to show a breach of contract or misrepresentation by the merchant, so it didn't accept his request for a refund. It said there was no evidence the merchant was acting fraudulently, for example there were no warnings about it on the Financial Conduct Authority (FCA) or International Organisation of Securities Commission (IOSCO) websites. Tesco Bank didn't uphold Mr G's subsequent complaint.

Mr G says Tesco Bank has mishandled his claim. He says it hasn't properly investigated the merchant's business conduct and the merchant is able to manipulate trading outcomes while appearing technically compliant. He is unable to evidence this without forensic data and considers Tesco Bank hasn't properly examined the merchant, especially control of trades, suspicious disconnections, and artificial spread widening. He considers Tesco Bank is placing an impossible burden of proof on him, knowing that it is difficult for him to prove his case and has failed to take into account the growth of fraudulent funded trading programs.

Mr G considers that simply checking the FCA and IOSCO websites is insufficient. He says it should refund his money and he requires a reassessment and review of Tesco Bank's obligations under section 75 and a review of its policies. He specifically mentions errors in Tesco Bank's responses, such as it saying the payments were to purchase gift cards and he questions how he can provide evidence when the merchant has removed access to his account. Mr G adds that Tesco Bank ignored red-flags about this merchant, such as it being a newly-established, overseas trading company.

Our investigator didn't uphold Mr G's complaint. She said she wasn't persuaded there was sufficient evidence to show Mr G had been the victim of a scam, or that the merchant hadn't provided the services advertised. She couldn't find any evidence on the FCA, and IOSCO websites or in online reviews, to suggest this merchant was operating fraudulently. The payments weren't ones that Tesco Bank ought to have prevented or asked further questions about before carrying out Mr G's payment instructions. There was no evidence of fraud, misrepresentation or breach of contract. She didn't consider Tesco Bank had acted unfairly in its handling of the matter or its decision not to pursue chargeback claims or agree to Mr G's requests for a refund.

Mr G didn't agree and so his complaint has been passed to me for 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.

Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, Tesco Bank ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

In Mr G's case, having reviewed Mr G's account and the payments he made, when they were made, their value and who they were made to, I'm not persuaded Tesco Bank ought to have found any of the payments suspicious, such that it ought to have made enquires of Mr G before processing them. I don't consider Tesco Bank missed any red flags, as Mr G has suggested. The payments were relatively low value, not particularly frequent and didn't follow any particular fraud pattern. He had also made similar payments to other trading platforms before.

It's also not clear to me that Mr G has been the victim of fraud here. I understand that the service Mr G bought involves a customer trading with the merchant's capital to achieve a profit target and if that profit target is hit for a certain number of days and certain other conditions are met, the customer can request a payout from the merchant. Mr G hasn't said he met any of those conditions or that he traded successfully and requested money from the merchant for hitting the profit targets. Rather, Mr G says the service was set up to ensure he wouldn't be able to meet these profit targets, for example through process delays – essentially, he thinks it's a fraud. In terms of evidence, he says his evidence is the repeated trade manipulation he encountered and the immediate termination of access to his account when he complained, amongst other things.

I'm sorry that Mr G is unhappy with the services he received from the merchant and I understand Mr G's point that it is difficult for him to provide evidence to support his complaint because the merchant has removed access to his account and because it would require a forensic examination of the merchant's platform. It's clear from his submissions that he considers the merchant has deliberately engineered the trading services it provides in order

to ensure that customers can't generate a profit. However, I don't consider Tesco Bank acted unfairly or unreasonably when it decided that there weren't valid chargeback reasons and there wasn't enough evidence to for it to attempt a chargeback or provide Mr G a refund.

It isn't for Tesco Bank to investigate the merchant's business in the way Mr G suggests. It wouldn't be practical or reasonable to expect a bank to undertake a forensic examination of the workings of a merchant used by one of its customers when a payment was in dispute, bearing in mind such things as the number of payments made by its customers every day to all manner of merchants in the UK and overseas. Once it received Mr G's request, I would expect it to have considered his request and any supporting evidence to see whether there were valid grounds for it to proceed with a chargeback claim and any reasonable prospect of a claim succeeding, or whether to refund its customer in accordance with section 75. Tesco Bank did that. It isn't unreasonable for it to request and require some evidence of misrepresentation or breach of contract when considering whether to start a chargeback claim or when considering a refund in accordance with section 75 of the Consumer Credit Act. Mr G didn't provide sufficient supporting evidence in my view. I consider it was reasonable for Tesco Bank to have then checked to see whether there was any other evidence that the merchant might be operating a scam, such as checking the FCA and IOSCO websites, but it didn't find anything. The investigator couldn't find sufficient evidence of a scam either, having looked at reviews of the merchant on the internet, in addition to checking the FCA and IOSCO websites. Overall, I haven't seen sufficient evidence to persuade me that Tesco Bank acted unreasonably or that it has placed an unfair burden of proof on Mr G.

I have considered Mr G's other points, for example that Tesco Bank should review its policies and obligations, but they don't alter my view of his complaint. Tesco Bank's internal policies are generally a matter for Tesco Bank and its commercial judgment. In terms of its obligations, as I've explained above, I consider Tesco Bank met its obligations and acted reasonably in its dealing with Mr G. And I don't consider Tesco Bank's reference to the payments being for gift cards is indicative of any failure to investigate his refund requests properly, rather than a simple error.

On balance, while it is possible the merchant didn't provide the service it offered to Mr G when he made his purchase, in the absence of sufficient evidence of a scam, or sufficient supporting evidence of a breach of contract or misrepresentation, I consider Tesco Bank acted reasonably when it declined Mr G's request for a refund.

### **My final decision**

I don't uphold Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 9 December 2025.

Greg Barham  
**Ombudsman**