

The complaint

X has complained about how Barclays Bank UK PLC trading as Tesco Bank (Tesco Bank) handled a refund claim they made.

What happened

As all parties are familiar with this complaint, I'll only summarise the key background where necessary within my findings below.

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.

It's important to note that Tesco Bank aren't the provider of the goods here – so in deciding what is fair and reasonable, I'm looking at their particular role as a provider of financial services. In doing so I note that because X paid for this transaction using a Tesco Bank credit card, both chargeback and a Consumer Credit Act 1974 (CCA) Section 75 (S75) claim could possibly help them. So in deciding what is fair and reasonable I've focused on this.

Chargeback

Chargeback is the process by which settlement disputes are resolved between card issuers and merchants. A consumer isn't entitled to chargeback by right. But where there are grounds to raise one and it has reasonable grounds for success, it is good practice for one to be raised by the card issuer.

However, a chargeback isn't guaranteed to succeed and is governed by the limitations of the particular card scheme rules (in this case Mastercard). I've considered the relevant chargeback rules in deciding whether Tesco Bank acted fairly.

X used their Tesco Bank credit card to purchase a timber summerhouse from a supplier I shall call 'E' in May 2025 for £1594.00. They also arranged separate installation of the summerhouse with another party I shall call 'G'. After installation, X said they noticed numerous defects and felt the summerhouse components weren't of a satisfactory quality.

They contacted E regarding this who offered replacement parts but didn't agree a refund was due. They also said that any issues could've been due to the standard of the installation itself and not because of the quality of the summerhouse components.

X didn't agree and therefore contacted Tesco Bank to raise a refund claim.

The relevant chargeback code here then would be 'Goods or Services Were Either Not as Described or Defective'. I've therefore considered the evidence available regarding this chargeback rule and whether Tesco Bank acted fairly when they declined the claim.

Did Tesco Bank act reasonably in declining the chargeback claim?

The relevant rules under this chargeback code require the cardholder to have contacted the merchant, or attempted to contact the merchant, to resolve the dispute.

As stated, E offered a remedy to X to address the issues they had experienced. I note Tesco Bank in their final response letter (FRL) said that as an appropriate remedy had been offered, there wasn't a reasonable prospect of success if the chargeback claim was progressed further.

The FRL also said that X didn't consider a repair using replacement parts to be reasonable, as they thought they'd incur further expense.

While I appreciate X's position, I can't say E's offer to provide replacement parts was an admission that the original parts weren't of a satisfactory quality – but more that it was a remedy offered for X's complaint. I also note Mastercard's rules say that supporting documentation from an independent expert or professional may be needed.

In this case the merchant had challenged the dispute and in addition offered an alternative remedy. In addition, a professional report wasn't provided which means additional supporting evidence Mastercard's rules anticipate may be needed in disputed cases isn't available here.

As a result, I don't think Tesco Bank were wrong to decline the claim as they considered there wasn't a reasonable prospect of success if the claim was progressed. The chargeback rules are clear that further evidence may be warranted in situations such as this in the form of an independent report.

I've then gone on to consider X's claim with mind to S75 and whether Tesco Bank acted fairly here.

S75

S75 provides that in certain circumstances the borrower under a credit agreement has an equal right to claim against the credit provider if there is either a breach of contract or misrepresentation by the supplier of goods and services.

To assess a valid claim, Tesco Bank would've needed to consider all relevant evidence for the alleged breach of contract or misrepresentation. But for there to be a valid claim under S75 there are certain technical requirements and I'm satisfied they've been met here.

The crux of X's complaint is the quality of the summerhouse itself and that they thought it wasn't to the standards they expected. I've therefore considered this under S75 in terms of whether there was a breach of contract to them.

I've also considered the implied terms of Section 9 of the Consumer Rights Act 2015 (CRA) which states that every contract to supply goods is to be treated as including a term that the quality of the goods is satisfactory.

X has said the summerhouse wasn't of satisfactory quality and has provided the following evidence and comments to support their position:

- Firstly, regarding the prospect of additional supporting evidence, they've said that the requirement to provide an independent report to determine the faults is unreasonable as they couldn't afford to pay the upfront costs to arrange this. They have also referred to Section 20 (S20) of the CRA regarding their short term right to reject the

goods, subject to the time limits in Section 22. They've also mentioned Section 31 of the CRA (S31) which states their liabilities can't be restricted.

I've considered what X has said about S20 and S31. While S20 preserves a consumer's short term right to reject if goods aren't of a satisfactory quality, that doesn't remove the need for sufficient evidence to support the claim - particularly where the issues are technical. Here, the concerns relate to the construction, fit and overall structural standard of a large installed item, and the supplier has also suggested the problems may be linked to third-party installation.

In those circumstances, it's reasonable for Tesco Bank to require objective evidence – such as an independent inspection report – to help establish whether the faults are due to the goods supplied by E rather than the separate installation by G. And while S31 prevents a trader from excluding or restricting statutory rights, it doesn't mean a bank must accept a claim without sufficient evidence to show a breach of contract. Without independent expert evidence, I'm not able to conclude that the statutory standard of satisfactory quality hasn't been met here.

X also said they asked a local tradesperson to inspect the summerhouse but they couldn't provide a definitive opinion on the cause of the defects as they weren't the ones that had assembled it. They did say that the structure was in poor condition with roof felt lifting, visible water damage and the door and window frame misaligned. However no written evidence was provided outlining these findings and to confirm this had occurred because of E providing faulty goods to X.

- X has also provided several photos of the structure to show the defects and considers these sufficient alongside their comments regarding the quality of the components.

I've reviewed these and while some of these pictures do show misalignments, it isn't possible to determine the cause of those faults, or in several cases what specific fault the photos are meant to show. So while I appreciate X's attempt to evidence the issues with the summerhouse, the photos themselves do not explain the cause of the issues they experienced.

However, as noted, E didn't install the summerhouse. X has confirmed that a separate party was hired for the installation. Considering what the local tradesperson told X during their visit, this could also be consistent with poor installation rather than defective components.

While I understand X believes the issues lie with the materials supplied by E, the evidence available doesn't establish that. Given G carried out the installation, and the issues described could also be consistent with installation problems, I can't reasonably conclude the defects must have arisen from substandard goods supplied by E.

In addition, X has said there was pre-delivery contamination with black mould on internal roof joints, however I've not seen any evidence to show the joints were delivered in this state.

I can only conclude then based on the evidence available that Tesco Bank didn't do anything wrong declining the S75 claim for breach of contract based on the evidence available. For X to succeed in a breach of contract claim against E (and therefore a S75 claim against Tesco Bank), there needs to be sufficient evidence that the goods supplied by E weren't of a satisfactory quality. There also needs to be sufficient evidence that the problems weren't caused by the separate installation carried out by G.

I do think it reasonable for X to show this is the case, especially as they also hired another party to install the structure and so based on the evidence available at this time, I can't say Tesco Bank has done anything wrong in declining the S75 claim.

X has also said the summerhouse has since deteriorated and they no longer think it's reasonable to obtain an independent report. But given the dispute is regarding the structural faults and whether this is a result of the goods supplied by E or the installation by G, independent evidence would still have been needed to establish a breach of contract in the first place.

Without further evidence, such as an independent inspection report, it isn't possible to confirm that the material supplied by E was substandard and/or the installation by G wasn't to the standards required which resulted in the subsequent issues. I therefore can't say that requirement has now been lifted due to the passage of time.

Finally, while X has mentioned the FCA's Consumer Duty and have said they have a disability and are on a low income, I can't see that Tesco Bank treated them unfairly in how they handled their claim. I note they did use the wrong salutation in their correspondence however and offered £25.00 for the distress and inconvenience caused. I do think this is appropriate and so I'm not asking them to do anything more.

In summary, and I know this'll be disappointing to X, but while they are persuaded that the issues with their summerhouse were a result of the goods themselves being faulty, I can't say sufficient evidence has been presented to show this is the case, especially as it was assembled by a third party. And as a result I can't say Tesco Bank need to do anything more here.

My final decision

For the reasons stated above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 4 February 2026.

Viral Patel
Ombudsman