

The complaint

Miss M has complained about the way Barclays Bank UK PLC trading as Tesco Bank ('Tesco') dealt with her claim for money back in relation to a package holiday she purchased using her credit card.

What happened

In March 2025 Miss M used her Tesco credit card to purchase a holiday for her son and his family, booked with an online travel agent I'll call L. The holiday was a package made up of flights, all-inclusive accommodation, transfers to and from the hotel and a travel extra pack plus for 3 people. The total cost of the holiday was £2,038.67. The holiday took place in April 2025 for around a week. The booking information shows that the booking was made online, through L's website.

Miss M has said that the holiday was advertised as a 4 star, all-inclusive, family friendly resort with high quality services. However, she told us that her son and his family found the food quality and variety were extremely poor, with repetitive limited options served daily and with no suitable options for babies. There was no snack bar or other food service available outside of the main meals served, and additional costs were applicable. The spa services were also not available, and further payment was required. Family friendly features were not provided; there were limited facilities, nothing was provided to support families with small children, and there was no guest service. The room was filthy and not up to standard, including dirt under the beds. And public areas were also dirty; there were cigarette butts littering the beach.

Miss M's son, using Miss M's email account, complained to the hotel and L about their stay, as things weren't resolved Miss M contacted Tesco to ask for help and a refund of 50% of the total holiday cost.

Tesco said it had looked at the MasterCard rules, but because the service had been used it was unable to process the claim. Tesco also looked at a claim under section 75 ('S75') of the Consumer Credit Act 1974 ('CCA'), and it said as the contract for the holiday was in Miss M's son's name not hers, despite the fact the booking was made through her L account, she was not a party to the contract, so a valid debtor-creditor-supplier ('DCS') agreement didn't exist and it couldn't proceed any further with the claim.

Unhappy Miss M came to our service; She told us the booking was made through her L account and she gave us video evidence and photos to support her complaint. Our investigator looked into things and said that she thought the chargeback claim wouldn't have succeeded even if Tesco had decided to attempt one, so she didn't think it acted unfairly here. She said that she disagreed with Tesco, and she thought there was a DCS agreement. She found that Miss M was able to demonstrate that some elements of the quality of service weren't up to the expected standard. She thought it was fair Tesco repay 5% of the total package holiday cost, £101.93.

Both Tesco and Miss M didn't agree, Tesco maintained there was no DCS agreement in place, Miss M said that she felt the 50% refund she'd asked for was more reasonable.

Given both parties didn't agree the complaint was progressed to the next stage of our process, 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.

I'm aware I've summarised the events of the complaint to some degree. 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 Miss M and Tesco that I've reviewed everything on file. And 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. Our powers allow me to do this.

What I need to consider here is whether Tesco – as a provider of financial services – has acted fairly and reasonably in the way it handled Miss M's request for getting her money back. It's important to note that Tesco isn't the supplier of goods or services which this dispute centres around.

So, I've thought about the card protections that are available. In situations like this, Tesco can consider raising a chargeback or assessing a claim under S75.

S75

S75 is a statutory protection that sets out, in certain circumstances, if Miss M paid for goods and/or services, in part or in whole, on her Tesco credit card, and there was a breach of contract or misrepresentation by the supplier, Tesco can be held responsible.

However, there are certain technical criteria that must be met for a S75 claim to be valid. These criteria relate to the cost of the goods or services, the parties to the transaction, and the way the payment was made. One of those is for a DCS agreement to be in place between the parties to the transaction.

DCS

Tesco has said that Miss M is not party to the contract, I disagree. There are two relevant parts of L's terms and conditions that qualify each other –

“If the User and/or the Customer purchases a product and/or service also on behalf of other travellers then the User and/or the Customer, qualified as the “Main Contractor” as defined below, declares and guarantees that he/she is legally authorised to act also in the name and on behalf of the other travellers and to inform them about the conditions applicable to each product and/or service purchased.”

“The User and/or the Customer further acknowledges and accepts that by using his/her contact details (residential address, email and telephone number) during the booking, he/she is qualified as the “Main Contractor” for the tourist and other services available for purchase on this Website, whether the Customer is making the booking for himself/herself or on behalf of other travellers.”

Miss M purchased the package holiday on her Tesco credit card. Miss M has provided the booking confirmation email that was sent to her personal email address, and the invoice for the purchase includes her residential address on it. So, I'm satisfied she is the 'main

contractor' with L and is authorised to act in the name of and on behalf of the other travellers regardless of whether the booking is for her or not. So, I think it follows Miss M was the 'debtor'. Tesco was the 'creditor'. The 'supplier' was L, there is a valid DCS agreement.

Misrepresentation and/or breach of implied or expressed terms of the contract

As this is a package holiday L can be held responsible here even if the hotel caused an issue. Subsequently, I've thought if there has been a breach of contract or misrepresentation. A breach of contract occurs when one party to an agreement breaks either its explicitly agreed /expressed terms, or terms which are treated as included or implied – for example because that's what the law says must happen. A misrepresentation is a false statement of fact which a person relies on when deciding to, for example, enter a contract.

Miss M has provided videos and photos to support her argument that the hotel and its services were below the standard advertised.

Miss M has said that the food quality and variety were extremely poor, with repetitive limited options served daily with no suitable options for babies. There was no snack bar or other food service available outside of the main meals served, and additional costs were applicable.

I've looked at the current advertisement for the hotel on L's website, which in my opinion is likely the same as at the time Miss M booked the package holiday. It mentions there is a snack bar and for some aspects of food and drink there is an extra charge. Looking at the email from the hotel, in response to Miss M's complaint it explains that a snack bar was open daily from 10am to 12am during Miss M's son's stay. I must think here about what Tesco has been presented with. Two parties are saying two different things so I can understand why it would have wanted to be more certain on this point. So, I don't think Tesco was unfair to not uphold the claim on this point. I don't think there is enough evidence to conclude that the snack bar wasn't open, or that Miss M's son didn't have access to it during his stay.

The website also doesn't include details about what type of food will be on offer. I've watched the videos provided by Miss M, but it's difficult for me to conclude this supports her argument here as I think this point is quite subjective. I say this because what one person would regard as poor quality or a limited variety, another person may think it's to their tastes and that ample variety has been provided. Also, in the email from the hotel it states there was an A la carte menu available and that it strives to accommodate all guests food options including children. So, I don't think Tesco was unfair to not uphold the claim on this point, I think this point is subjective and in any case the advertisement doesn't include food options, and the hotel confirmed it had an additional menu.

Miss M has said the spa services were not available, and further payment was required. On the current advertisement it lists the spa and wellness centre has an extra charge, and I've not seen anything to suggest that unlimited or priority spa access was included in the holiday package. I'm also minded to say that spas are usually popular services and can become fully booked very quickly. So, I don't think Tesco was unfair to not uphold the claim on this point, I don't think Miss M's holiday package included unlimited or priority spa access.

Miss M has also said family friendly features were not provided, there were limited facilities, and nothing was provided to support families with small children. She said the hotel wasn't family friendly as it was marketed. Looking at the advertisement on L's website it doesn't set out the hotel is specifically for families; although it says there are two children's pools and there is a babysitting/ child services that comes at an extra charge. Again, I think whether or not something is 'family friendly' can be subjective. Another person may be satisfied with the

offerings from the hotel and think it is family friendly. So, I don't think Tesco was unfair to not uphold the claim on this point, it's difficult to conclude there has been a breach of contract in relation to the hotel being family friendly based on the evidence.

Miss M said that there was no guest service. Looking at the advert on L's website it doesn't set out there would be a guest service. However, there is a 24-hour front desk, and in Miss M's complaint emails to the hotel, from her son, he explains that he's spoken with various members of staff to raise multiple issues. I don't know if this was at the 24-hour front desk, but he did have access to staff in the hotel. So, I don't think Tesco was unfair to not uphold the claim on this point, the advertisement doesn't say there would be a guest service, but I'm satisfied Miss M's son was able to speak to several members of staff to air concerns.

So, to conclude I don't agree with Miss M's arguments on the above points, for the reasons I've set out. And I don't think there is enough evidence for Tesco to conclude, on the above points, there were misrepresentations made and/or implied or expressed terms of the contract Miss M entered into breached.

In the investigator's view, she's agreed with Miss M's arguments on the following points: The room was not up to standard, including dirt under the beds. L's website does say that there is daily housekeeping at the hotel, Miss M has provided a photo of dirt and sweets that were present on the floor next to a bed. There was litter in public areas. Miss M has provided a photo of some cigarette butts on what appears to be a beach. I can understand why the investigator reached their conclusion, as it could be argued that the cleaning and upkeep of public areas likely weren't performed with reasonable care and skill, and therefore an implied term of the contract under the Consumer Rights Act 2015 ("CRA") could have been breached, which Tesco would be responsible for.

Even if I'm wrong about the above, for example, because it could be argued the evidence should be stronger. Or the steps I think Miss M's son took to mitigate things could have been taken further, and he could have done more. I also think Tesco's answer to the chargeback wasn't fair and should be considered when putting things right here. I'll explain why.

Handling of the chargeback

Tesco didn't attempt a chargeback because it said there wasn't a prospect of success as the services had been used. I don't think this was fair and I think it should have considered the evidence Miss M had provided. Because she was saying that the service used was defective which as far as I can see is something MasterCard can consider, even for a used portion of the service.

However, given the lack of supporting evidence, on balance, I don't think a chargeback would have led to a more generous outcome for Miss M. I think it unlikely she would have received 50% of the cost (that she'd claimed) given her son's party used the flights and the accommodation. However there seems like there might have been a small part of the holiday that Miss M evidenced was arguably defective.

I think the evidence of the breach of contract could be more conclusive, but even if I'm wrong here, Miss M is being redressed £101.93. Given I think her chargeback claim should have been handled better, I think this seems like a quick, informal and pragmatic way on the whole to put things right, so I agree Miss M should receive this amount.

My final decision

My final decision is that I uphold Miss M's complaint in part and direct Barclays Bank UK PLC trading as Tesco Bank to pay Miss M £101.93

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 13 February 2026.

Helen Boulton-Agg
Ombudsman