

The complaint

Miss C complains that Barclays Bank UK PLC trading as Tesco Bank refused to refund gambling payments.

What happened

In May 2025 Miss C used her Tesco Bank credit card to make almost 40 payments to an online gambling site. These transactions were between £50 and £101 and totalled £2,707.71. The payments were made to an overseas gambling business which was outside UK regulations and it didn't use the Merchant Category Code (MCC) for gambling transactions. This meant that Tesco Bank was misled as to the nature of the transactions.

Miss C contacted Tesco Bank and asked that it refund the money she had spent on gambling. In 2020 the UK banned gambling operators from taking payments by credit card, but this did not apply to overseas operators. Tesco said that it considered making a chargeback and also a possible claim under section 75 Consumer Credit Act 1974 (s.75), but it didn't believe either of these entitled Miss C to a refund.

Miss C brought a complaint to this service where it was considered by one of our investigators who didn't recommend it be upheld. Miss C said her claim to another of her credit card providers had been successful. Our investigator explained that because the gambling site used a MCC which did not identify the true nature of the transactions these were not stopped by the bank's systems. She also noted the bank had sent several security alerts to Miss C for some of these transactions and she had authorised the payments.

Our investigator also said that Mastercard didn't accept chargebacks for gambling transactions and there was no evidence of a breach of contract or misrepresentation which would allow a successful s.75 claim.

Miss C didn't agree and said if Tesco Bank had initiated a chargeback it may have been successful. She also said that the bank had processed the transactions as digital goods and games so it should not then treat them as gambling and refuse her claim. She felt it was wrong that the gambling site could circumvent the UK's credit card ban.

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.

When the evidence is incomplete, inconclusive or contradictory as some of it is here – I've reached my outcome on the balance of probabilities – that is, what I consider likely to have happened given the available evidence and the wider circumstances.

I want to acknowledge that 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 also want to assure Miss C 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. Our powers allow me to do this.

I should make it clear that the role of the Financial Ombudsman Service is to resolve individual complaints and to award redress where appropriate. I do not perform the role of the industry regulator and I do not have the power to make rules for financial businesses or to punish them.

I have every sympathy with Miss C, but I do not consider I can uphold her complaint. I will explain why.

Miss C had two routes by which she could try and recover the money she had paid to the gambling site, either by a chargeback or a claim under s.75.

Chargeback

Chargeback is a voluntary scheme run by the card scheme operator (here it's Visa) to process settlement disputes between the card issuer (such as Tesco Bank) – on behalf of the cardholder (Miss C) – and the merchant (here it's the online gambling site Miss C made the payment to). It is not a legal right that the cardholder has.

Mastercard sets the chargeback rules and time limits for transactions made using the Mastercard card scheme. And it is Mastercard decides whether a chargeback is successful – the card issuer simply makes a request on the cardholder's behalf. If the card issuer knows it is out of time, or is unlikely to succeed, I wouldn't necessarily expect it to raise a chargeback.

Mastercard states specifically that gambling payments are not covered by its chargeback regime and knowing this Tesco Bank concluded a chargeback was not appropriate. I appreciate Miss C thinks that if one had been attempted it may have succeeded, but I cannot say Tesco Bank was wrong to take the decision it did. It simply applied the rules set out by Mastercard.

Section 75

This legislation offers protection to customers who use certain types of credit to make purchases of goods or services. Under s. 75 the consumer has an equal right to claim against the provider of the credit or the retailer providing the goods or services, if there has been a misrepresentation or breach of contract on the supplier's part. For s. 75 to apply, the law effectively says that there has to be a

- Debtor-creditor-supplier agreement and
- A clear breach of contract or misrepresentation by the supplier.

Our role isn't to say if there has been a breach of contract or a misrepresentation for a valid claim under s. 75 but to consider if Tesco Bank has come to a fair outcome based on the evidence they were provided. I am satisfied the required agreement is in place and so I must consider if there has been a breach of contract or misrepresentation.

Miss C entered into the transactions with the online gambling site knowing that she was gambling. The gambling site did not misrepresent to her what it was offering. She wished to place bets or gamble in some way and this is what the site offered. It may have misrepresented the transactions to the bank, but s.75 applies to misrepresentation to the debtor, in this case Miss C. I cannot safely conclude there was any misrepresentation as required under s.75.

Nor can I say that there was any breach of contract. From the information provided by Miss C she entered into an agreement with the site which provided the gambling services she wished to use at the time and it provided these. I appreciate she regrets doing so, but I cannot see there has been a breach of contract.

At the time the payments were processed Tesco Bank was not aware the sums being paid were for the purposes of gambling and so it had no reason to stop them. Subsequently when Miss C alerted the bank to the fact that she had been gambling there were no grounds for it ignoring that piece of information and pursuing the payments as if they were for digital goods or games.

It also took reasonable steps by alerting Miss C to several of the transactions which she then authorised. Furthermore, it was not aware of Miss C's gambling activity and I see that she subsequently notified the bank and it has now recorded that in its system.

Finally, I would add that I do not know on what basis the other credit card provider refunded her money, but Tesco Bank is not obliged to follow suit.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 26 May 2026.

Ivor Graham
Ombudsman