

The complaint

Mr B complains that Barclays Bank UK PLC trading as Tesco Bank (“Tesco”) declined his claim for money back in relation to a transaction that took place on his credit card account.

What happened

The facts in this case aren’t disputed, so I’ve only briefly set them out here. On 27 May 2025, Mr B used his credit card account to pay £801.57 into an overseas online casino account – with a supplier I’ll refer to as M. Mr B incurred a foreign transaction fee as well. M appears to have attempted to debit an additional amount from Mr B’s credit card account 26 minutes after the initial one for the exact same amount. Due to the amount and timing of the second transaction, this was blocked by Tesco.

Tesco has explained that the first transaction was accepted because the merchant website used a different Merchant Category Code (“MCC”) to debit the payment rather than the code for gambling, which bypassed the gambling block it had in place.

On 28 May 2025, Mr B tried to withdraw his winnings from the online casino account with M but discovered he was only able to withdraw unregulated cryptocurrency but not the funds as cash or transfers. He later found he couldn’t access his online account. He contacted Tesco for help in getting his money back. He felt that M only allowing him to withdraw his funds as cryptocurrency was a breach of contract and misrepresentation.

Mr B also believes he might have been the victim of a scam, that M had misrepresented itself because the transactions would have been blocked had they used the correct MCC’s, and they didn’t allow him to withdraw his winnings as cash and later he couldn’t access his account.

Tesco initially explained it had already removed the transaction from his account, and Mr B says an advisor told Mr B that his chargeback claim would likely be successful without any evidence. Tesco later clarified that its responses were in relation to the second transaction attempted by M which it had already blocked. In relation to the first transaction, Tesco explained that it was unable to claim a refund for the transaction as the applicable chargeback rules didn’t allow them to raise a refund claim for gambling transactions if the reason for the claim relates to issues with withdrawal of winnings. It did however pay him £75 compensation for the confusion caused.

Tesco also considered a claim under section 75 of the Consumer Credit Act 1974 (section 75) and said gambling transactions are not covered under section 75 and in any event there was no evidence of breach of contract. And it couldn’t consider a claim under misrepresentation, as even if M had used a different code to hide the true nature of the transaction from Tesco, Mr B was aware this was a gambling transaction.

Tesco issued a final response in line with its findings and Mr B referred the matter to our service. One of our investigators looked into what happened but didn’t recommend that Tesco needed to do anything to put things right. He felt Tesco was correct not to raise a chargeback as there was nothing within the card scheme operator’s chargeback rules that

permitted this, considering the circumstances of Mr B's claim. And they also felt that its answer in relation to his section 75 claim wasn't unfair.

Mr B didn't agree with our investigator and so his complaint has been passed to me to review.

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 this 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 B and Tesco that I've reviewed everything on file. If I don't comment on something, it's not because I haven't considered it. I've concentrated on what I think are the key issues, which our powers allow me to do.

Whenever consumers ask for help in getting money back via their bank, banks have two different ways of considering such a claim. A claim under section 75 and chargeback. I will initially deal with Mr B's claim under the chargeback scheme.

Chargeback

It may be helpful to explain that under the chargeback process, Tesco is able to ask for a refund directly from M under specific circumstances through the Mastercard chargeback scheme. There are various reason codes that can be used. Tesco's role is to ensure the facts and evidence submitted are enough for it to request a refund on Mr B's behalf under a specific reason code.

It's important to note that the chargeback scheme is not a legal right and is a voluntary scheme run by Mastercard and only enables businesses like Tesco to ask for a refund under very limited circumstances. Not all disputes are captured by the chargeback rules. Some disputes simply do not entitle a consumer to request a refund through the chargeback scheme. Common reasons that enable financial businesses to request a refund include goods/services not being provided/ being defective/not as described.

I've looked at the chargeback rules applicable and as explained by Tesco, the MasterCard rules explicitly state that chargeback rights are not available for claims related to withdrawal of winnings. So, I don't think it was unreasonable for Tesco to conclude that it was unable to claim a refund on behalf of Mr B.

I've also thought about whether Tesco could have claimed a refund due to M using an incorrect MCC. Our service has directly contacted Mastercard about scenarios where merchants and/or their acquirers/payment processors have used incorrect MCC's to mask gambling transactions. Mastercard has directly confirmed to us that there are no chargeback rights for any sort of gambling transactions, such as the ones Mr B made, and there were no chargeback rights applicable where incorrect MCC's have been used. Mastercard also confirmed to us that, had a bank such as Tesco submitted a chargeback request in circumstances such as Mr B's, this wouldn't have been successful had this been sent to them to decide.

I've considered what Mr B has said about being the victim of a scam. However, the money was sent to an online casino account which Mr B was able to use for gambling purposes, so Mr B did get the services he requested and authorised, which was that he transferred money

to the websites in question to gamble. So, I don't think the rules around fraud chargebacks apply here.

I'm aware that Mr B has made successful chargeback claims with another bank. However, that was a decision made by that bank. That doesn't mean Tesco was bound to do the same though. As explained by our investigator, the circumstances of each case are different and I'm considering the specific circumstances of Mr B's complaint and whether Tesco acted fairly.

I do not doubt the stress and impact this transaction has had on Mr B. I appreciate the honesty with which he has spoken and sympathise with the difficulties he has faced. But I can only assess whether I think Tesco acted unfairly to not raise a chargeback for him. And, bearing in mind what Mastercard has directly told us about these sorts of transactions, I'm satisfied that Tesco didn't act unfairly when it decided not to raise a chargeback on Mr B's behalf.

Section 75

Under certain circumstances Tesco can be liable for any breach of contract or misrepresentation by a supplier of goods or services paid for using its credit product. This would be under section 75 of the Consumer Credit Act 1974.

It is not entirely clear if section 75 applies to the transaction here. As explained by Tesco, it may be that gambling and investment transactions do not give rise to claims under section 75.

But I don't think that makes a difference here in any event. I say that because Mr B did not present persuasive evidence to Tesco when he made his claim that the supplier had misrepresented its service or breached its contract with him. Under section 75, the onus is on Mr B to evidence that claim.

Mr B for example didn't provide any documentary evidence to show he was entitled to withdraw the money he believes he won, that only allowing him to withdraw this as cryptocurrency wasn't in line with its contractual terms. It is not uncommon for such companies to only allow withdrawals under the supplier's terms, and he hasn't submitted any evidence to explain why he wasn't allowed access to the account or why or how that breached the contractual terms .

I don't think it's unfair for Tesco to conclude there isn't sufficient evidence of a breach of contract. The evidence presented is limited and although I can see Mr B has submitted his testimony, emails to M asking for a withdrawal and some customer reviews, I don't think this demonstrates a breach of contract.

I know Mr B has said the supplier misrepresented the transaction as non-gambling to avoid it being blocked. However, a misrepresentation for the purposes of section 75 is a false statement of fact given to Mr B by the supplier which induces him into an agreement with it he otherwise would not have entered into. As Mr B was aware these were gambling transactions, I don't consider Tesco should have fairly considered what Mr B says here a misrepresentation for the purposes of section 75.

I appreciate Mr B believes that he has been a victim of a scam, and M has taken advantage of his vulnerability. But his claims under section 75 are limited to breach of contract and misrepresentation and I've explained why I don't think it was unreasonable for Tesco to decline his claims. He's not provided sufficient evidence to support his claims, and I don't think it's unreasonable for Tesco to require some evidence before considering his claims. I

don't doubt that Mr B may have found it difficult to collate evidence, but that doesn't change that the onus is on him to prove his claim.

I also appreciate Mr B feels given his vulnerabilities Tesco ought to have treated him more sympathetically especially in line with the consumer duty. But bearing in mind Tesco wasn't aware of Mr B's vulnerabilities prior to the first transaction going through, and given the amount, and that it was the first transaction, I don't think that there are any grounds for me to conclude that it should have prevented this transaction from leaving his account. And it did block the following transaction attempted. And I've also explained why I don't think it acted unfairly when considering the options to try to retrieve the money back for Mr B.

I'm sorry for the difficulties Mr B has experienced and appreciate the efforts he's taken to honestly explain his perspective. But overall, I don't consider Tesco acted unfairly in respect of Mr B's chargeback claim or (if they apply) his rights under section 75. I also don't think Tesco acted otherwise unreasonably in light of Mr B's vulnerabilities. So, I find no grounds to uphold this complaint.

My final decision

For the reasons I've set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 12 March 2026.

Asma Begum
Ombudsman