

The complaint

Mrs B complains that Barclays Bank UK PLC trading as “Tesco Bank” credited her credit card account with £399.20 in error and delayed sorting the issue out.

What happened

I won't repeat all the facts here, as those aren't in dispute. I have reviewed the entire file and if I don't comment on something, it isn't because I haven't seen it - it's that I haven't deemed it relevant. I mean no discourtesy by this, it's merely to reflect the informal nature of our service.

In May 2025, Tesco Bank credited Mrs B's credit card account with £399.20 in error. In the same month, having noticed the credit, Mrs B contacted Tesco Bank to report it. However, she didn't receive a response, and it wasn't until around seven months later, Tesco Bank contacted Mrs B to say the money needed to be paid back. It was agreed this would be paid back via instalments.

Tesco Bank upheld Mrs B's complaint for its error when crediting her account and because it didn't debit the transaction sooner, despite Mrs B pointing out the issue. By way of an apology and for the inconvenience this caused, it paid her £100 compensation. But Tesco Bank said she would need to repay the amount credited in error and it referred to the terms and conditions of her account to support this.

However, Mrs B doesn't think it's fair she has to pay the money back because it was Tesco Bank's error. And, because she reported the error immediately but Tesco Bank delayed sorting the issue out.

Our Investigator didn't uphold Mrs B's complaint – but she didn't agree.

Because the parties couldn't agree, the matter has been passed to me to decide.

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 done so, whilst I appreciate this will disappoint Mrs B, I'm not upholding her complaint – and I'll explain why.

Tesco Bank has accepted it made an error when applying what was a purchase refund to Mrs B's account for the amount of £399.20 in May 2025. And, that it didn't act to correct this when Mrs B pointed out the error, soon after it had happened. There isn't any dispute about this. So, it's for me to decide whether the £100 compensation Tesco Bank has paid, goes far enough to put things right for Mrs B.

As Tesco Bank explained to Mrs B, it can debit the amount credited in error, in line with the terms and conditions of her credit card account. But to be clear, even if the terms didn't

stipulate this, I'd still think it fair and reasonable for Mrs B to pay back the money credited in error. That's because it wasn't her money to keep – she was never entitled to it. It wouldn't be a fair outcome for Mrs B to profit from Tesco Bank's error. Instead, and in line with how our service tells businesses to put things right, Tesco Bank should put Mrs B in the position she would have been in, had the error not occurred. Had the error not occurred, Mrs B's account wouldn't have been credited incorrectly in the first place. She also wouldn't have had to experience some inconvenience in relation to what happened – and I'll talk about this in more detail later.

Mrs B says she assumed the money had been credited accurately when she didn't hear back from Tesco Bank, after first reporting the issue. And, that finances change over time and so she feels it's unacceptable for Tesco Bank to claim anything back from the amount credited in error, given the delay in doing so. But I don't think that, merely in the absence of a response from Tesco Bank, it was reasonable to assume the money had been credited correctly. Particularly given Mrs B had raised the issue initially because she didn't recognise the credit. Instead, Mrs B could have chased Tesco Bank for a response, or, while waiting for a response, she could have borne in mind that her account balance was likely reflecting the incorrect credit.

So, I also don't think Mrs B is entitled to keep the money simply because Tesco Bank caused delays when not responding to Mrs B about the matter after she contacted it. Despite the delay, the money still wasn't Mrs B's to keep – and therefore it's only fair she now pays it back.

In fact, it is precisely because of the delays, that the credit was reflecting on Mrs B's account for several more months than it would have been, had Tesco Bank sorted out the issue sooner. This likely benefitted Mrs B – after all, it meant her account was almost £400 better off for an extended period of time, when it shouldn't have been.

I do accept however, that, but for Tesco Bank's errors, Mrs B wouldn't have had to contact Tesco Bank to report the issue, and, she wouldn't have had to deal with the matter several months later, due to Tesco Bank not sorting the issue out, when it should have done. For the inconvenience caused by the error Tesco Bank made in crediting her account and for the delay in contacting Mrs B about the error, I'm satisfied the £100 Tesco Bank has paid, is fair compensation.

For the reasons explained above, I'm satisfied it is fair for Tesco Bank to recoup the money it credited in error and that it has already compensated Mrs B fairly for its errors. Moving forwards, Tesco Bank has agreed that Mrs B can repay the amount credited in error at £10 per month. It gave her several options to repay and she chose this one. So, I think this is more than fair. It means the amount hasn't been debited all at once and in fact, Mrs B will continue to benefit from the credit as it will remain on her account for even longer, given the rate she's paying it back.

So, for the reasons explained, I'm satisfied the £100 Tesco Bank has paid to Mrs B, goes far enough to compensate her for its errors and that it has provided a fair way forward for Mrs B to repay the credit made in error. Therefore, I'm not upholding this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 19 May 2026.

Sophie Kyprianou
Ombudsman