

The complaint

Ms A 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 purchase she made using her credit card.

What happened

In May 2025 Ms A purchased several items of clothes from a business I'll call L, however upon receiving the clothes she found several items were defective. Ms A contacted L to ask for a refund, it said she had contacted it outside of the specified period in its exchange policy. And she'd not sent it any supporting evidence regarding the defects. So, it would not provide a refund.

As Ms A was unable to resolve things with L. She asked Tesco to help her. Tesco looked into her claim, however said it was unable to raise a chargeback through the Mastercard scheme (which Ms A's card belonged to). Tesco explained this was because the dispute was in relation to quality of goods received. Furthermore, Tesco said L didn't have a return policy but had correctly followed its exchange policy. Tesco also said it was unable to look at the claim under Section 75 ('S75') of the Consumer Credit Act 1974 ('CCA'), as the individual price of the clothes was less than £100.

Ms A brought her complaint to our service and our investigator looked into things. She said Tesco didn't act unfairly when not raising a chargeback for Ms A. And Ms A didn't have a valid S75 claim because the individual price of the clothes was less than £100. Ms A didn't agree, so the complaint was progressed to the next stage of our process, an ombudsman's decision.

Our investigator sent both parties an email setting out my initial position informally, in summary I said I didn't think Tesco was right when it said it was unable to raise a dispute for quality of goods. There is a condition under the Mastercard rules for goods or services weren't as described or defective. Ms A was essentially arguing the goods she received were defective. So, I thought Tesco could have helped further, it didn't and therefore I didn't think it had treated Ms A fairly. And I was also aware Ms A was now too late to make a chargeback claim, due to the applicable timescales, and that wasn't her fault, and I was minded to award compensation. I asked Tesco if it would like to make an offer to resolve things.

I also thought Tesco would have needed to see more to establish if the chargeback would have been successful or not. Ms A hadn't been given the opportunity by Tesco or this service to provide further information, so I thought it fair to allow her to send further information if she had it.

I also explained due to the individual price of the goods Ms A had purchased, S75 of the CCA didn't help here. So, it wasn't something I'd expect Tesco to consider.

Both Tesco and Ms A responded, and our investigator sent a further email to both parties setting out my position informally, I said -

“I’m mindful that [Ms A]’s situation doesn’t lend itself to a straightforward claim. Neither I nor Tesco are fabric experts. As I’ve said before, the individual price assigned to the clothing was on the lower side which is something to consider when thinking about the clothes durability. From what [Ms A] has provided it appears there were around ten items of clothing that she feels were defective. She’s sent pictures of what appear to be some of the items, but not all. It can be argued some of the clothing might show signs of defects that may have been present when the goods were supplied. But I think it can also be argued that the defects could have happened after the items were washed or worn. It’s really hard to tell based on the photos, without supporting evidence such as an independent report. Given all of this I don’t think the evidence enables me to say on balance the chargeback would have been successful had it gone to the final stages.

In my initial thoughts I suggested Tesco could make an offer of compensation, which it declined. Tesco acknowledged that Mastercard did have a condition for [Ms A]’s claim, however, it would need to see that the defect existed when the goods were supplied and it would be difficult at this stage to determine this. I agree with this point, and I think that’s arguably in part what has happened here. [Ms A] wasn’t given a fair opportunity to put together her claim. Also, this has ultimately impacted her answer, she’s not received it as soon as she could have. I think Tesco haven’t met [Ms A]’s reasonable expectations here and she should be compensated.

So I am still of the opinion that Tesco didn’t treat [Ms A] fairly when it didn’t help when it could have. Given my reasoning above I think [Ms A] should be compensated, and Tesco should pay her £100, I think this is a fair amount given what’s happened.”

Ms A agreed with what I’d said, however Tesco didn’t. It argued it provided clear reasoning upfront and saved its customer the inconvenience of obtaining evidence that would have been futile, because as I had concluded, the chargeback was unlikely to succeed.

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’ve thought about what Tesco have said but I don’t agree it provided clear reasoning up front. Tesco originally told Ms A it couldn’t raise a chargeback as the dispute was in relation to quality of goods received. That wasn’t right. As I’ve set out there is a condition under the Mastercard rules for goods or services weren’t as described or defective. Ms A is essentially arguing the goods she received were defective.

Tesco acknowledged it would need to see the defect existed when the goods were supplied and it would be difficult at this stage to determine this. I agree, as my findings set out, it is difficult at this stage to know, which is why I was unable to say the claim would have succeeded. But we also don’t know whether, had Ms A been given an opportunity by Tesco at an earlier stage, to gather and present evidence, a different outcome to the claim may have been reached. I think the important point here is she wasn’t given this opportunity by Tesco, due to it providing her with inaccurate information, and I don’t think that was fair. Ms A is now too late to make a chargeback claim, due to the applicable timescales, and that isn’t her fault. It can be argued all of this has ultimately impacted her answer, and she’s not received it as soon as she could have.

I still think Tesco haven’t met Ms A’s reasonable expectations here and it should pay compensation of £100 to recognise the avoidable inconvenience it caused to her. I think this is a fair amount given my findings above.

Putting things right

- Tesco should pay Ms A £100

My final decision

I uphold this complaint and require Barclays Bank UK PLC trading as Tesco Bank to do what I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 22 May 2026.

Helen Boulton-Agg
Ombudsman