complaint

Mr C complains that he has been charged interest by Tesco Personal Finance PLC (trading as Tesco Bank) for two credit card transactions.

our initial conclusions

The adjudicator did not recommend that the complaint should be upheld. She found that the bank acted in line with the terms and conditions of the credit card. She also concluded that the bank cannot control how transactions are classified by retailers. Mr C did not accept that conclusion. He said interest was not charged when he made similar transactions in the past, so he believes that the bank has changed its terms and conditions without notifying him.

my final decision

To decide what is fair and reasonable in this complaint, I have considered everything that Mr C and Tesco Bank have provided.

The terms and conditions of Mr C's credit card clearly say that gambling transactions are processed as a cash advance transaction (and so immediately attract interest). The two transactions are clearly gambling transactions, and I find that they have been designated as gambling transactions not by the bank, but by the companies the payments were made to. So I am satisfied that the bank was correct to apply interest as if each of the two transactions were cash advance transactions.

The bank says that the terms and conditions have not changed since Mr C applied for his credit card. Mr C told our adjudicator that he had not read the terms and conditions. Mr C has previously used his credit card for similar gambling transactions, and no interest was charged on his earlier transactions. Mr C was fortunate to escape earlier interest charges. It seems to me that earlier gambling transactions escaped interest charges because the retailers applied the wrong classification to the transaction when accounting to the bank. I find the bank did not delay in notifying Mr C of the application of interest charges. I also consider the bank has provided a full and reasonable explanation to Mr C. **My final decision is that I do not uphold this complaint.**

Under the rules of the Financial Ombudsman Service, I am required to ask Mr C either to accept or reject my decision before 1 May 2014.

Paul Doyle

ombudsman at the Financial Ombudsman Service

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

ombudsman notes

what is a final decision?

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

what happens next?

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.