

## **complaint**

Mr C complains that Tesco Personal Finance PLC has given him misleading information about gambling transactions fees.

## **background**

Tesco put a Notice of Variation in Mr C's April 2016 credit card statement which said that it was going to treat gambling transactions as cash advances. But Mr C says it should've sent a separate letter to its customers. It charged him £150 gambling transaction fees in April 2018. He doesn't think its terms and conditions are clear about these fees. So he's asking it to refund them.

Tesco enclosed a Notice of Variation with Mr C's April 2016 statement. In that notice it explained it didn't previously charge a fee for gambling transactions. But from 1 June 2016 these transactions would be comparable to cash advances. So it would apply a 3% fee. But there wouldn't be a minimum charge. This information is also on the back of Mr C's monthly statements. Mr C didn't make any gambling transactions until April 2018. So it didn't think it'd done anything wrong.

The adjudicator thought that Tesco had dealt with Mr C's complaint fairly. She said Tesco had told Mr C about the variation to its terms and conditions. And it'd applied its fees in line with that variation. The fee was mentioned on the back of his statement and she was satisfied the wording wasn't misleading.

Mr C didn't accept her opinion and said the wording could be interpreted in different ways. And it wasn't clear whether the charge was at Tesco's discretion. He said it seemed that Tesco was treating fees and charges as the same and that it wasn't fair for Tesco to demand a charge for gambling transactions.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. In doing so I've come to the same conclusion as the adjudicator for very similar reasons.

Tesco varied its terms and conditions with effect from 1 June 2016. The variation was about cash advances. It said that in addition to charging a handling fee of 3.00% with a minimum £3.00 charge, gambling transactions would now be treated the same, but without the minimum charge. The first time Mr C used his account for a gambling transaction was in April 2018 so I think Tesco gave him enough notice of the change and I don't find it needed to send him a separate letter about the variation.

Tesco includes the same information in a shortened form on the back of its credit card statements. And I know that Mr C won't agree with me but I don't think that information is misleading. It tells him there will be a 3% handling fee on any gambling transactions and, unlike cash advances, Tesco doesn't make a minimum charge for this type of transaction. And I can't see that wording implies any charge will be at Tesco's discretion.

Mr C thinks Tesco shouldn't be demanding a charge for gambling transactions. But that's not something I can comment on. That's the role of the regulator, the Financial Conduct Authority, which deals with broader issues affecting large numbers of consumers.

For all those reasons, I don't think Tesco has made any mistake. So I won't be asking it to refund the handling fees and I won't be asking it to pay compensation for the time involved in making this complaint.

**my final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 20 December 2018.

Linda Freestone  
**ombudsman**