

## **complaint**

Mr B complains that Tesco Personal Finance Plc took back all at once the whole amount of a refund it had previously given him, which made his financial difficulties worse.

## **background**

Mr B told Tesco that a number of ATM withdrawals on his card were fraudulent. Tesco credited his account with some of the money he said was missing, but when it investigated, it decided that Mr B had taken the money out himself. It took the money back out of his account, which put him in debt. Tesco also said that it was going to close his account. Mr B says he doesn't dispute that he needs to pay this money back to Tesco.

Mr B's wages were paid into the account after it should've been closed. It hadn't closed, because Mr B owed Tesco money. So Tesco used some of Mr B's wages to pay off the debt on his account, and paid him back the rest. Mr B said he couldn't afford to repay this money all at once. He said he has a considerable number of other debts elsewhere, and now he can't afford to pay those, or his rent. He wanted Tesco to give him the money back, and accept a payment plan to clear the debt.

Tesco asked for evidence that Mr B was in financial difficulties. Mr B sent evidence of his outstanding loans, but said he couldn't show that his rent is due, because he pays that in cash and there's no formal agreement with his landlord. Tesco considered that, but said that it wouldn't pay Mr B back any of the money it had used to pay off his debt to it.

Our investigator didn't uphold this complaint. He said that Tesco hadn't agreed to offer Mr B a payment plan, and it had followed its own processes when it did that.

Mr B didn't agree with that. He said that he wanted this complaint to be considered by an ombudsman, so it was passed to me for a final decision.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I've reached the same overall conclusion as our investigator on this complaint, and for broadly the same reasons.

I know that Mr B has said that he is struggling financially now. And I'm sorry to hear that. I understand that he's now been in touch with a debt management charity, and I hope they've been able to help him.

But what I need to consider is whether Tesco acted reasonably when it used money paid into Mr B's account to pay off a debt he owed to it, and then said it wouldn't give Mr B this money back and accept a repayment plan instead. And I think that Tesco did act reasonably when it did that. I'll explain why.

Tesco had kept Mr B properly informed about the money he owed. When money was paid into his account, it used to clear this debt. But then when Mr B complained, it offered him an opportunity to tell it about the effect that this was having on him. I don't think that Tesco did anything wrong when it did that.

I can see that Mr B told Tesco about a number of other loans that he was struggling to pay off. But those aren't more important debts than the one to Tesco, so Tesco wouldn't have to give Mr B the money back, so that he could pay those debts instead of the one to Tesco.

Mr B also said he owed rent. Rent is an important debt, but unfortunately Mr B said he doesn't have any evidence that he pays rent. I don't think it was unreasonable for Tesco, given the previous issues with Mr B, to say that it wouldn't just take Mr B's word for it. So I don't think that Tesco had to give Mr B the money back, and accept a repayment plan instead. And I don't think it was unreasonable, in this case, for Tesco to decide it wouldn't do that.

I realise how disappointed Mr B will be by my decision, but I don't think his complaint should be upheld.

### **my final decision**

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 11 June 2018.

Esther Absalom-Gough  
**ombudsman**