

The complaint

Mrs B complains that Tesco Personal Finance PLC trading as Tesco Bank has paid her Clubcard points to a third party. She says she's never given permission to have her account grouped with a third party.

What happened

Mrs B is unhappy that Tesco Bank has paid her Clubcard points to a third party. Ms T complained to Tesco Clubcard, who said they did not agree that they had grouped the accounts without permission. They offered to rectify the matter by splitting the account and offered Mrs B 500 Clubcard points as a gesture. Mrs B refused. She said that because she hadn't given permission to group the accounts in the first place she couldn't agree to have the account split.

Mrs B raised a complaint with Tesco Bank. She said she wanted all her Clubcard points which had been paid to the third party reimbursed to her.

In response to the complaint Tesco Bank said that the complaint related to Tesco Clubcard, which was the responsibility of Tesco Stores Limited, not Tesco Bank.

Mrs B didn't agree. She said that Clubcard points were awarded based on her use of her Tesco Bank credit card and she hadn't been paid her Clubcard points in connection with the use of the card.

Our investigator didn't uphold the complaint. He said that Tesco Bank had provided information to show that it had allocated points in line with the use of the credit card. He said that the points themselves were administered by Tesco Stores Limited, and that this service couldn't consider a complaint about the administration of points because this wasn't a regulated activity.

Mrs B didn't agree. She said she didn't understand how Tesco Bank could provide a financial incentive to use the credit card in the form of Clubcard points but had no responsibility for how the points were paid.

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.

When Mrs B complained to Tesco Bank about the Clubcard points she felt she should have received, Tesco Bank said that Mrs B would need to contact Tesco Clubcard department as they were responsible for the allocation of Clubcard points to individual accounts. Tesco Clubcard is part of Tesco Stores Limited, which is a separate entity to Tesco Bank.

I'm of the view that the response from Tesco Bank was correct. The allocation of points isn't something that Tesco Bank are responsible for. I'll explain my decision in more detail:

This service is only able to look into complaints about regulated activities. An explanation of

regulated activities is published on this services website.

I appreciate that Mrs B has a Tesco Bank credit card which attracts Clubcard points each time she uses it. In the context of Mrs B's complaint, this service would be able to consider a complaint against Tesco Bank if it hadn't accrued points correctly in connection with Mrs B's use of the card. But this service can't consider a complaint about how those Clubcard points (once accrued) are administered.

I've reviewed the information provided by Tesco Bank to see whether Clubcard points have accrued correctly each time Mrs B has used the credit card. Based on what I've seen, I'm satisfied that Tesco Bank has correctly accrued points as a result of the credit card spend. So I'm unable to say that Tesco Bank has failed to do what it is obliged to do under the terms and conditions of the credit card account.

If Mrs B's complaint was that Tesco Bank had failed to accrue points, then this is something which this service could investigate. But that isn't what Mrs B is complaining about. Her complaint is that the points accrued have been paid to someone else. This isn't something that Tesco Bank is responsible for and therefore this service isn't able to look into it (because this service can only look into regulated activities i.e., complaints about the provision/failure to provide a financial service).

I appreciate that Mrs B feels that the accrual of points and the administration of points are inextricably linked, because her credit card (which is provided by Tesco Bank) is linked to her Clubcard account. I've explained above that there is an important distinction between the accrual of points as a result of credit card spend (which is part of Mrs B's credit card agreement) and the administration of points in the Clubcard scheme (which falls under the responsibility of Tesco Stores Limited).

I've explained above why I don't think Tesco Bank has done anything wrong here and why I'm not upholding the complaint against them. That's not to say that Mrs B doesn't have a genuine complaint and I appreciate that this situation is very frustrating for her. But a complaint about how Clubcard points are administered can only be pursued against Tesco Stores Limited. If Mrs B isn't happy with the outcome of her complaint against Tesco Stores Limited, this service can't consider the complaint because the administration of Clubcard points isn't a regulated activity. So Mrs B would need to look at an alternative dispute resolution scheme to take the complaint forwards. Trading Standards may be able to assist Mrs B with this.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 13 April 2024.

Emma Davy
Ombudsman