

## **The complaint**

Mr B is unhappy how Tesco Personal Finance PLC trading as Tesco Bank (TB) handled his request for help to recover his money, and the incorrect information he received as part of his request.

## **What happened**

Around March 2023 Mr B became aware that he had been making a monthly payment of £15 to a merchant, who I'll refer to as C, for a little over six years. Mr B has said he had no knowledge of what this payment was for, and he reached out to TB for help to recover the payments.

TB initially explained to Mr B that they would process a full refund for him, however a week later they got in touch with him to explain a chargeback would be raised on his behalf as per his online request. TB raised a chargeback for the four most recent payments Mr B had made, in line with the chargeback scheme rules, and refunded those payments to him. Mr B then had to pursue C for the remaining monthly payments he'd made, and he received a full refund from C a few months later.

Mr B made a complaint to TB. He said the fact that he'd received all his money back from C proved TB should have refunded him in full when he raised his dispute. He also said he wasn't happy with the incorrect information he'd been given during the initial phone call. He wanted compensation from TB.

TB responded to explain they'd done all they could to help with a refund in line with the chargeback scheme rules. They compensated Mr B £75 for the incorrect information he'd been given.

Mr B wasn't happy with this and brought his complaint to our service. Our investigator didn't uphold it. She said TB had to adhere to the chargeback scheme rules and had refunded Mr B all they could in line with the rules. She said that Mr B didn't have a valid Section 75 (s75) of the Consumer Credit Act 1974 claim as the criteria for such a claim hadn't been met. She said she felt TB had dealt with Mr B fairly.

Mr B didn't accept. He maintained that he wanted additional compensation from TB.

As Mr B didn't agree, it's been passed to me to decide.

## **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.

It's clear that Mr B feels strongly about this, and I'd like to reassure him that I've read and considered everything that's been provided, although I haven't commented on it all in this decision. I will be focussing on what I consider to be the key points of this complaint.

Having reviewed all the information, I know Mr B has received a full refund. Some of that

was from TB as part of the chargeback process, and the rest was refunded from the merchant. As Mr B has had a full refund and is back in the position he expected to be in, I don't need to make a decision on that. All that's left for me to consider is how TB helped Mr B, if I think his request for help was dealt with fairly and if I consider he should receive any additional compensation. In this case, I'm satisfied TB have dealt with Mr B's request for help and addressed his complaint fairly, so I won't be asking them to do anything more. I'll explain why.

As the monthly payments had been made from Mr B's TB credit card, the chargeback scheme or s75 both existed for TB to consider trying and help Mr B. But both contain restrictions on how and when they can be applied, which TB have to adhere to.

In relation to the chargeback scheme, in Mr B's case the scheme is managed by Mastercard. I would expect TB to raise a chargeback for Mr B if there is a realistic chance of success, and in this case TB did raise the chargeback for him. However, the scheme rules only allow for any claims to be made within 120 days of the transaction date – so in Mr B's case TB could only raise a chargeback for the four most recent monthly payments that had been made. Mr B has said the fact C have now refunded all the remaining payments is proof that, had TB pursued the chargeback he would have received all his money back sooner, and he wouldn't have had to chase C for the shortfall. However, TB could only raise a chargeback for the four payments they did return to Mr B as per the scheme rules – they couldn't raise one for any of the other payments as they had been made more than 120 days from when Mr B first asked TB to help. So, because of that I'm satisfied TB did all they could under the chargeback scheme to try and help Mr B.

For s75 to apply, the legislation is clear that the claim must relate to any single item to which the supplier has attached a cash price exceeding £100 but not exceeding £30,000. In Mr B's case, the single item cash price hasn't exceeded £100. Each monthly payment made was for £15 and is treated as a 'single item', so the criteria for a valid s75 claim hasn't been met. Mr B has said that TB didn't make it clear online how he could proceed with a s75 claim, and he feels he should be compensated for that, and TB haven't adhered to financial regulations. It's important for Mr B to remember our service are not the regulators of the financial industry, and it isn't our role to punish the businesses. As Mr B's claim doesn't meet the criteria for a valid s75 claim, I don't think he's been caused any detriment by TB not making it clear online how he could make a s75 claim. It wouldn't have been successful even if the information had been made clear to him, so I don't consider him to be in a worse position by not being able to see the information.

Mr B has also raised concerns about how TB handled his request for help, in particular in regard to a telephone call he had with one of their advisors in April 2023 where it was confirmed to Mr B that TB would be processing a full refund for him. TB contacted Mr B a week later to explain their advisor had provided him with incorrect information and explained that a chargeback would be raised. Mr B has asked for a copy of the original call and TB haven't been able to provide it – and Mr B feels TB have deliberately erased the recording from their system. TB have provided Mr B with an apology for the incorrect information being given and have compensated Mr B with £75 to acknowledge this. I've not been provided with any evidence to suggest TB have deliberately withheld the call from Mr B, and they have already accepted that he was provided with incorrect information during the call, and paid him compensation for it, which I'm not persuaded they would have done if it was their intention to deliberately erase any record of what was discussed during the call. I'm satisfied that an apology and the compensation awarded by TB is fair in the circumstances.

As Mr B has received a full refund and has received compensation from TB for the incorrect information he was provided with during his claim, I'm satisfied that his claim and request for compensation have been resolved fairly by TB. So, it follows that I won't be asking them to

do anything more.

### **My final decision**

For the reasons above, 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 22 March 2024.

Kevin Parmenter  
**Ombudsman**