

The complaint

Mr W complains that Tesco Personal Finance PLC trading as Tesco Bank didn't provide him with sufficient notice that an interest free period was coming to an end on his credit card.

What happened

Mr W noticed that interest was being applied to his credit card, but he believed he was on a 0% interest free offer. He said that he didn't see any notifications that this offer was coming to an end on his online account and nor did he receive a letter, or text message about this.

He complained to Tesco and it responded, explaining that in August 2021 Mr W took out an offer where the interest rate on his balance would be 0% for 18 months. It then clarified that on Mr W's December 2022 statement that the rate would be coming to an end in February 2023. Tesco also mentioned that it sent an additional email to Mr W in January 2023, reminding him that his rate would be coming to an end in February 2023.

Tesco explained that the 0% period did come to an end in February 2023, but that due to a systems issue – interest wasn't applied on Mr W's March 2023 statement. Tesco acknowledged that and placed an interest hold on Mr W's account until his May statement, to allow him to deal with this issue.

Mr W wasn't happy with how Tesco dealt with this so he referred his complaint to our service. One of our investigators looked into this and found that Tesco had acted fairly in the circumstances. They said that the terms of the initial offer were clear. They added that there was notification of the offer's end date in Mr W's December 2022 statement and that Tesco had emailed him about this. They also felt that Tesco's offer to not apply interest which would otherwise have been due because of its systems error was fair.

Mr W disagreed, saying that Tesco should have notified him of the offer coming to an end by letter and have been clearer when it mentioned this on his statements. So the complaint has 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 W feels very strongly that Tesco has acted wrongly and unfairly here. As our investigator has explained, it's not for this service to regulate or criticise business policies in a wider sense – such as how Tesco gives notice to customers about when interest free offers are coming to an end. Instead our role is to consider what's fair and reasonable in the individual circumstances of a complaint.

Having done so, I think Tesco has acted fairly. I've seen the terms relating to the interest free period that Mr W would have seen when he applied for it – and I think these are clear about when the offer would come to an end. Then I've seen the statement from December 2022 – and the relevant date that the offer comes to an end is made clear on there too. On

the first page of the statement, it says: *“Please note that your introductory purchase rate will expire 20/02/2023, the standard monthly variable rate will apply after that date”*.

Mr W said that he may not have taken much notice of that, given the time of year and his understanding that his interest rate offer was ending sometime in 2023. But, viewed impartially, I think Tesco was just giving Mr W fair notice of what was going to happen so that he could take any actions that he needed to.

I know that Mr W thinks that Tesco should have written to him independently of the statements to tell him this, or that it should have placed more notifications on his statements after December 2022. But I think that by providing the notice it did in December 2022, this was sufficiently clear and fair to remind him of the terms of the offer that was in place. Mr W didn't see that or perhaps didn't take enough notice of it – but that's not something I can hold Tesco responsible for.

Mr W says that the systems issue around interest not being applied in March means that he believed that the offer was still in place. I can see why he may have thought that – but it doesn't change my thoughts around Tesco providing him with sufficient notice of the rate coming to an end. Ultimately, Tesco would have been entitled to apply that interest and by not doing so in the circumstances, I think it's acted fairly. I haven't seen that Tesco has applied this to the wrong statement as Mr W says, nor do I think that its decision to refund this for one month means that it should do it for another month.

Finally, Mr W believes that Tesco should have allowed him to speak to a manager and, were he able to, then he wouldn't have needed to approach this service. But, Tesco is entitled to choose how it deals with complaints. It's done so here in line with the relevant rules and guidelines. It responded to Mr W's complaint and told him about his right to bring it to this service which is what I'd expect to see. He may not have spoken to a manager, but I haven't seen anything in the information provided here to suggest that would have led to a different outcome.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 12 January 2024.

James Staples
Ombudsman