



The complaint

Mr F complains Tesco Personal Finance PLC trading as Tesco Bank unfairly charged him interest.

What happened

Mr F holds a Tesco credit card and was sent an email about an interest free, or 0%, offer.

Mr F followed the link in the email and the page explained the difference between a money transfer and balance transfer. Mr F called Tesco a couple of times to ask about minimum payments, the transfer fee and set up a direct debit.

Mr F went ahead with a money transfer, but was charged interest. Mr F complained and Tesco said the advert clearly said the 0% offer was for balance transfers and not money transfers. Tesco refunded the first month's interest and waived the next two months.

Tesco also said it would refund the transfer fee if Mr F paid off the balance.

Unhappy with this answer, Mr F brought his complaint to this service. An investigator looked into things but didn't think Mr F's complaint should be upheld.

The investigator thought the advert was clear, the offer was only for balance transfers. The investigator also said the page Mr F saw after following the link said ".....0% interest rate for balance or money transfers".

The investigator thought the 'or' clearly indicated the offer wasn't for both types of transfer. The investigator thought the calls Mr F made were too general for Tesco to realise he thought the money transfer was at 0%.

The investigator also said Mr F completed the money transfer himself, using a mobile app, and would have seen the interest rate for the money transfer.

Mr F disagreed and said the 'or' could be read another way, one or the other. Mr F said he must have mentioned the 0% money transfer in one of his calls.

Mr F also said he called in to complete the transfer, he doesn't use apps on his phone. Following further discussion with the investigator Mr F remembered he had carried out the transfer himself, but likely online, not using the app.

Mr F asked for an ombudsman to decide things.

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.

I've seen the advert Mr F was sent. I think it clearly says the offer is for a balance transfer.

Mr F says the page linked to the advert isn't specific enough, but I don't think this changes the clear content of the advert Mr F saw.

Mr F also says he knows the difference between a balance transfer and a money transfer, so I can't say the advert was misleading to Mr F.

I've listened to the two calls Mr F made to Tesco. In neither call does Mr F specifically reference the money transfer being 0%. Mr F does mention doing a money transfer in the second call, but this call mostly involves trying to understand the first minimum payment.

In the first call, where Mr F is discussing the deal, he doesn't specifically say he's looking to do a money transfer. Mr F mentions the transfer fee is less than he could earn in a savings account, but I don't think this is enough to say he wanted to do a money transfer.

I can't say Mr F would have seen the interest rate when he completed the money transfer online, I've only seen the mobile app journey. But I don't think this matters, I think the advert was clear and Mr F should have realised the offer was only for balance transfers.

Mr F asked for Tesco to pause any interest whilst his complaint was at this service. Tesco didn't agree and I wouldn't necessarily expect it to. I think any interest is valid and Tesco had already made an offer to pause interest for two months and refund one month.

Mr F has since said he'll repay the balance but has been charged interest. If Mr F thinks this recent interest charge is unfair, he can complain to Tesco.

I don't think Tesco has treated Mr F unfairly around his money transfer. I think the advert Mr F saw clearly says the 0% offer only applied to balance transfers, and isn't misleading, so Tesco's charged interest on his money transfer in line with its terms and conditions.

I don't think Tesco needs to do more to resolve Mr F's complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 31 January 2024.

Chris Russ
Ombudsman