

The complaint

Miss E complains that Tesco Personal Finance PLC trading as Tesco Bank won't apply a promotional interest rate to her money transfer that she asked them to do.

What happened

Miss E says that Tesco emails her promotional offers. She said that she decided to process a money transfer to clear third party debt with a promotional 0% money transfer being offered. Miss E says she paid £283.29 in fees for a money transfer of £7,100, but she says when she received her February 2023 statement it showed £92 interest. She says that she contacted Tesco as she thought it was an error, but she says it seems the error was on her part as the money transfer she processed did not have the promotional offer attached to it. Miss E asked them if they could apply a 0% interest rate that she received via an email on 8 March 2023, but they wouldn't agree to do this. Miss E made a complaint to Tesco.

Tesco did not uphold Miss E's complaint, but as a gesture of goodwill they agreed to waive the £92 interest they charged and waive interest for the next three statement periods. They said that as there were no interest free rates available at the time, this meant interest started to accrue from 30 January 2023. They said when the money transfer was requested, they did confirm to her that her standard rates will apply, but she selected to continue with the transfer. Miss E brought her complaint to our service.

Our investigator did not uphold Miss E's complaint. She said that Miss E made an online money transfer from her credit card on 27 January 2023, but Tesco confirmed there was no promotional offer attached to the money transfer as the previous offer was issued in December 2022 and it applied to money transfers made up to 6 January 2023. She said as Miss E completed the money transfer after this date the transfer wouldn't have been eligible for the 0% interest, and as such, Tesco did not make any errors in applying interest to the money transfer as this is in line with the terms and conditions of the account. Miss E asked for an ombudsman to review her complaint.

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.

Tesco told us the promotional offer they sent Miss E prior to her completing the money transfer was sent on 6 December 2022, and she had until 6 January 2023 to take up the offer. From similar emails Miss E has forwarded us about the promotional offers on her credit card, I can see that there is a limited time to accept the offers, and that these are not open ended. While Miss E feels she gets these offers every month and there would've been an offer available, Tesco have confirmed there wasn't a promotional offer available at the time she completed the money transfer.

So in the absence of any evidence from Miss E showing that the offer was available until 27 January 2023, then I'm unable to conclude that Tesco have made an error in how they handled the money transfer request from Miss E. Tesco have also told us that when Miss E

completed the transfer request, the screen displayed the message “*your standard rates will apply*”. They said if she had a promotional offer available then this screen would have stated an interest free term, which appears when one is applicable.

So as Miss E selected to process the transfer with her standard rates applying, this is what Tesco processed for her. While Tesco have since sent Miss E promotional interest free offers, those would apply to money transfers made during that offer period, with no mention they could be backdated to previous money transfers. So it follows I don’t require Tesco to do anything further.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss E to accept or reject my decision before 24 November 2023.

Gregory Sloanes
Ombudsman