

The complaint

Mr C complains Tesco Personal Finance PLC trading as Tesco Bank have:

- Sent him statements and other correspondence by post during a strike, when if they'd sent him an email he could have dealt with the issues
- Blocked his credit card leading to him losing out on loyalty points
- Agreed to pay him 2,000 / 2,500 loyalty points but haven't
- Stopped his credit card and reduced his credit limit
- Added purchases to his credit card statement which can't be correct because all purchases made while his credit card was blocked were made with his debit card
- Sent him a statement which isn't accurate
- Not communicated with him effectively

What happened

Mr C has said he was away between 4 December 2022 and 4 January 2023. When he returned he realised Tesco had sent him a statement and on 12 January 2023 he received a letter confirming Tesco had applied a late payment fee. Mr C felt Tesco should have emailed him, rather than posting his statement, because they sent the statement during postal strikes and he was abroad. Mr C also wanted Tesco to take the late payment fee from his loyalty points with them.

Mr C tried to discuss this with Tesco and that his previous credit card had been blocked – as well as his new card not working, but wasn't able to get through on the phone, so he found some email addresses and started emailing them. This led to further frustration for Mr C, as it took him a lot of emails before he got a reply. During this time on 17 January 2023, he went into a Tesco shop and ended up communicating through a shop employee about the issues he was having. Mr C also raised concerns about not getting loyalty points when his card was blocked.

Tesco's first reply was on 24 January 2023. In it, they said the December 2022 statement required Mr C to have paid a minimum payment of £10 by 31 December 2022. And, as that payment wasn't received, a £12 fee and £2.16 interest was charged. They added Mr C's January 2023 statement required a minimum payment of £34 by 31 January. But, they still needed the £10 payment as soon as possible. They went on to explain, as the last payment to the credit card was £28.04 on 15 November, they automatically blocked his card until they could establish why his payment of 31 December payment hadn't been made.

Tesco also said in the call on 17 January 2023 with a shop employee they had explained the reason Mr C couldn't use his new card was due to the outstanding payment. They said they were sorry Mr C had to wait on the phone to be told this. They couldn't action Mr C's request to offset the fee against the loyalty points, as they'd done nothing wrong – and wouldn't reimburse him for any points he'd lost out on while the card was blocked. In this response Tesco said the first notification they could see from Mr C about his complaint was 17 January 2023 – when he wrote to Tesco's chief executive officer. Finally, Tesco said

they'd refund the late payment fee and interest charged once Mr C had made the £10 payment he was required to.

Mr C didn't accept this and refuted the first contact was 17 January 2023 – he provided emails to show it was 12 January 2023. He felt it was unreasonable for Tesco to have applied the late payment fee, as he was out of the country. The statement produced on 20 January 2023 ignored the 14 emails he'd sent since 12 January 2023. Regarding the call to Tesco through with the shop employee, if they'd replied to his emails then he says this wouldn't have needed to happen. Or calling up is frustrating because he can never get through to anyone. He did though appreciate the offer to refund the late payment fee and interest – but wanted a better offer to resolve the matter.

On 1 February 2023 Tesco and Mr C had a conversation which was then followed up in writing on 2 February 2023. Tesco reiterated much of what they'd already told Mr C but added that when they acknowledged Mr C's complaint on 17 January 2023 (the email Mr C had sent to their chief executive officer), they gave him a link which explained how they handle complaints – this explains they have eight weeks in which to do so. They were aware some customers were waiting longer than they'd like when phoning, and they said sorry for this. As a gesture of goodwill, Tesco arranged for a credit of £25 to be made to Mr C's credit card. When Mr C asked for a replacement card on 28 November 2023, Tesco said they thought Mr C had lost out on points, so arranged to credit him with 2,000 points.

Tesco finished their letter of 2 February 2023 saying they'd given all the assistance to Mr C they could, so any further correspondence regarding this issue would be filed.

It was then on 6 February 2023 Mr C's credit limit was reduced to £350 – which Mr C was unhappy with.

After this, Mr C continued to email Tesco complaining his credit card was still blocked and he wanted an explanation for this, as well as why his credit limit had been reduced.

On 23 February 2023 Tesco replied again. They reiterated much of their previous explanation to Mr C – including that his card would remain blocked until they received payment, and none had been received yet. They also had arranged for their Financial Assist Team to speak to him, but he said he wanted to speak to the same representative he'd been dealing with. In respect of the credit limit, they said as a responsible lender they regularly look at people's facilities and made the business decision to reduce his credit limit.

Following this, they said they'd arrange for their Customer Support Team to contact Mr C to organise a payment arrangement and help him with anything he needs. And, they said if Mr C remained unhappy then he could contact our service.

Originally, much like most of Tesco's responses to Mr C's complaints, the response was sent by email but he couldn't use the secure system to open it – so Tesco posted this response and included the last three months' worth of statements.

Mr C raised the same issues he had before, said he'd posted a cheque for £9 so his account could be unblocked, and said Tesco hadn't put in writing the outcome that had been reached. The £9 was credited to Mr C's account 6 March 2023 – and he says he didn't receive Tesco's response until 7 March 2023.

At this point, Mr C said payments showing on his statements were incorrect – and mentioned an £84 payment which he says was made on his debit card.

Tesco's notes following this say Mr C spoke to their financial assistance team and told them he'd made the payment required to unblock the card – but a review suggests Mr C hadn't made all the payments needed so the card remained blocked. Tesco noted Mr C was disputing some of the transactions, but he wouldn't allow them to transfer him through to the correct team to discuss it. Tesco's notes say they'd told Mr C what their position was regarding his account, and if he wanted to dispute the transactions then he'd need to speak to the correct department.

Unhappy with all of this, Mr C asked us to look into things and sent us a lot of communication. At various times he said the loyalty points Tesco had promised to credit him were 2,000, and 2,500.

One of our Investigators considered things, but overall didn't uphold Mr C's complaint saying she thought Tesco hadn't done anything wrong.

Mr C provided a substantial amount of responses – largely focusing on Tesco not replying to him. Our Investigator felt Tesco had done all they could, as had our service, and when she explained that to Mr C, he continued to contact us as he didn't think the matter was resolved. He listed out multiple points he said was a new complaint, but which when assessed by Tesco, they felt it was all the same complaint he'd mentioned in dozens of emails so said they wouldn't consider it further. They said they'd offered Mr C all the support they could, and his next step was to contact the Financial Assist team as their Customer Support team had told him. They couldn't do anything more.

Prior to the complaint being passed to me, I can see Mr C repeatedly asked when his credit card was blocked, and then let us know Tesco had withdrawn his credit facilities. He wrote to Tesco to explain he'd make a payment under duress, on the condition his credit card is restored.

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 think it's important to firstly explain I've read and taken into account all of the information provided by both parties, in reaching my decision. I say this as I'm aware I've summarised Mr C's complaint in considerably less detail than he has. If I've not reflected something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless I think it's relevant to the crux of the complaint.

As I understand it, Mr C's issues began when he was having problems using his existing credit card. To resolve that, Tesco sent him a replacement credit card on 28 November 2022. And in recognition of the problems he was having and points he'd lost out on while he was having problems, credited him with 2,000 loyalty points.

Although at times Mr C has said this was meant to be 2,500 points, I can't see Tesco ever offered more than 2,000 points. Tesco have provided evidence they credited these points to Mr C's loyalty account. I note Mr C has questioned this, but it seems he was looking at his credit card statement, when the loyalty points wouldn't show on there – just on his loyalty points statement. If Mr C has remaining concerns regarding these points being credited, then he'll need to provide evidence to our Investigator they haven't been. I can see our Investigator has previously asked for this, but no evidence from Mr C has been provided.

So, in the circumstances, I can't see that there is anything more for our service to do on this point.

Following this Mr C then went abroad for five weeks and his primary concern here is that Tesco didn't contact him to pay his minimum balance, or the balance of the credit card, by another method other than post. Mr C says this period was during postal strikes, so Tesco should have used another method and he'd have paid them.

I don't though agree with this. While I understand Mr C's point, from what I've seen Mr C knew he'd used the credit card, so should have known he'd need to make a payment towards it. It's also the customers responsibility to ensure payments are made to the credit card in line with the terms and conditions. Tesco sent Mr C a statement, he didn't tell them he was going abroad and they're not responsible for how long the post takes. I do understand Mr C feels like Tesco should have known about the postal strike and used another method, but I've seen nothing to suggest they had to.

As Tesco said in their response on 24 January 2023 Mr C's last payment at that time was £28.04 on 16 November 2022. So, given he'd not made a payment for some time I don't think it was unreasonable of Tesco to block Mr C's ability to use his credit card. They couldn't know if Mr C was in financial difficulties, and despite being in communication with him and telling him what he needed to do, he didn't make any further payment until 6 March 2023.

I know Mr C wanted answers to each of the issues he raised but raising a complaint doesn't prevent the minimum payments being due on his credit card. And, although he'd received an answer on 24 January 2023 to tell him he needed to pay £10, the payment he actually made around six weeks later was still less than that.

In addition, as each month goes by, the amount Mr C will need to pay will increase, because the arrears on his account will increase while he's not making any payments. Mr C's February 2023 statement said he needed to pay £34 immediately, and his total minimum payment of £59 by 3 March. So, overall, I don't think Tesco have acted unfairly in blocking access to Mr C's card. They've made it clear in previous communications if Mr C made the minimum payment he needed to, then they'd unblock the card so he could continue to use it. As I don't think Tesco did anything wrong in blocking the card, I won't be awarding him any loyalty points he may have lost out on. Mr C has told us more recently his credit card has been withdrawn, and Tesco told him he owes £247.94 – so it would seem that's the most up to date information.

I have seen Mr C queried why Tesco haven't refunded late payment fees and interest. From the response Tesco sent they only ever agreed to refund one £12 late fee, and one round of interest at £2.16 – and that was conditional on Mr C making his minimum payment. To date, as far as I know, he hasn't done that. I think these offers are more than fair, given I don't think Tesco actually did anything wrong. So, if Mr C does now make up the payment, and Tesco chooses not to repay the late payment fee and interest, I'd couldn't say that'd be unfair since I wouldn't have awarded them in the first place.

It was while Mr C wasn't making payments to his credit card that Tesco also reduced his credit limit. For largely similar reasons as above, I think this was fair. Tesco have said they did this because they regularly review their customers credit limits and adjust them as required. Mr C hasn't said reducing his limit has caused him any financial hardship, and his previous usage of the credit card was quite modest. In addition, at the time of the reduction on 6 February 2023 Mr C hadn't made a payment for nearly three months to his credit card – so I think Tesco acted responsibly in an effort to try and reduce Mr C's potential exposure. If he was in financial difficulties, then continuing to give him credit wouldn't be appropriate.

Mr C has also complained about the waiting times for people to answer the phone when he's called Tesco. This isn't something I can influence Tesco on, as ultimately it's up to them on how to resource their services. But, I can see they offered Mr C £25 as a gesture of goodwill for his frustrations on this point, and I think that's fair in all the circumstances.

Mr C has questioned the statements he's been provided with – in terms of them not showing the credits Tesco said they'd give him, the refund of the late payment fee and interest, plus two entries which debited his account when his account was blocked.

In terms of the two credits one of these was for 2,000 loyalty points which I've addressed above and explained Mr C will need to get a statement from the loyalty scheme. The other was the £25 credit for the phone issues and I can see that was credited to Mr C's account on 7 February 2023 which shows on his statement dated 6 March 2023. So, I'm satisfied Tesco have applied the credits as they said they would. I expect this statement was included in the bundle Tesco sent Mr C. For the late payment fee and interest, I've explained this was due to be refunded if Mr C made the minimum payment, which he didn't.

Mr C's other concerns relate to entries on his statement. From the notes I've been provided with it seems he refused to speak to the correct department to discuss those entries. I can see they were applied when the account was supposed to be blocked. It's possible these payments were what's called Continuous Payment Authority (CPA) payments – which will still debit the account whether the credit card is blocked or even closed because of the type of payment they are – they're linked to the underlying account, not directly linked to the credit card itself. I don't know that for sure – I'm just speculating. Ultimately, if Mr C wishes to dispute these transactions then he'll need to co-operate with Tesco's processes to do so.

I wanted to address Mr C's concerns regarding Tesco's responses to his emails at the end of this decision, as it's the thread that's running through his whole complaint.

Mr C did first get in touch with Tesco on 12 January 2023 to raise a complaint. I've noted he has concerns over this email not being responded to – and that he didn't get any reply until he emailed Tesco's chief executive officer on 17 January 2023. This was acknowledged the same day by Tesco.

In this acknowledgement, Tesco provided a link to information which said they have eight weeks in which to look into a complaint. Although it's clear Mr C has significantly higher expectations on response times – regularly chasing replies the next day, or even the same day on occasions – this is correct. Mr C had raised a complaint, and Tesco are allowed eight weeks in which to look into things. So, if I were to use 12 January 2023 as the first time Mr C got in touch with Tesco about a complaint, this gave them until 9 March 2023 to have replied.

Despite having until this time, Tesco, and one of their team who I'll refer to as 'G', replied promptly to all of Mr C's concerns on 24 January 2023 – and then to his follow up concerns on 2 February 2023. This is significantly in advance of the timescales required. Because of that, I can't say they did anything wrong in the time they took to reply to Mr C.

In this response on 2 February 2023, and I believe as a consequence of Mr C's repeated emails expecting an answer, Tesco said they'd answered everything they needed to and would simply file any future emails from him.

Despite this, Mr C continued emailing Tesco expecting an answer – when they'd already told him they wouldn't be addressing any further emails from him – and they'd given him our

contact details in both their responses at this point. So, I can understand why Tesco weren't replying, as they'd told him they weren't going to.

It's clear Mr C's preferred method of communicating is emailing, but that doesn't appear to be something Tesco provide for day-to-day routine account queries. This is a choice for Tesco to make and isn't something I can influence. But, overall, I don't think they or G did anything wrong. Following Mr C's repeated emails, Tesco's complaints department arranged a call from their customer vulnerability team, and when Mr C said he wanted to dispute some of the transactions, said he'd need to speak to their fraud team. But Mr C seemingly refused to do so. Given that, I can't reasonably expect Tesco to take any further action with those transactions – because they will need Mr C's co-operation to dispute them.

It's up to this point that my consideration of this case has to end because that covers all of the issues originally raised in this complaint. I'm aware further issues have come up since, including:

- Mr C wanting to know the date his credit card was blocked so he can reconcile his January 2023 statement
- How the balance of £247.94 has accrued
- Whether they'll reinstate his card if he pays this amount
- The lack of reply, from someone who I'll call 'R', since August 2023

It's clear Mr C doesn't agree with the way Tesco communicates. At times he's called them and said he thinks it's unacceptable he's asked to wait on the phone while they look into issues he's raised. Or, he's emailed them many times asking questions to which he's already had an answer. I think it's important for Mr C to understand it's for Tesco to set out how they wish to communicate with people, and if customers don't like those methods, then they have the option of no longer being a customer of that financial company. I say this because it's clear Tesco's approach to things has caused Mr C significant amounts of frustration – but, when I've considered everything in detail, I don't find they've done anything wrong.

My final decision

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 14 February 2024.

Jon Pearce
Ombudsman