

The complaint

Mr M complains Tesco Personal Finance PLC trading as Tesco Bank requires him to carry a mobile phone at all times in case it has to check a transaction.

What happened

Mr M has a credit card issued by Tesco Bank and is in his 80's. He's had an account with Tesco Bank for many years.

Mr M contacted Tesco Bank to explain that he was going abroad on holiday. He says he was told he didn't need to call the bank to explain that he was going abroad but that he might need his mobile to confirm transactions.

In May 2023, Mr M complained saying that Tesco Bank expected him to have his mobile phone with him at all times. He said that he wasn't that kind of person, and that it was unreasonable of Tesco Bank to expect him to have his phone with him at all times. He said Tesco Bank was discriminating against him, and that he was concerned that he might not be able to rely on being able to use his credit card on holiday. He said he wanted Tesco Bank to guarantee that it would honour his card – without needing to contact him for confirmation – at least when he's on a nominated holiday.

Tesco Bank investigated Mr T's complaint and said that he should be able to use his credit card whilst he was on holiday, but that he might need his mobile to confirm transactions. Tesco Bank also said that their customers don't need to say when they're going on holiday, and that to protect customer accounts it sometimes sends confirmations to mobiles to check the transactions being made.

Mr M was unhappy with Tesco Bank's response and complained to us.

Your text here

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.

This complaint isn't about strong customer authentication and changes that Tesco Bank has made to its processes in order to implement new regulations that came into effect in September 2019 that affected the whole banking sector – namely the Payment Services Regulations 2017 ("PSRs"). Those regulations required payment service providers ("PSPs") to apply strong customer authentication in certain circumstances. That's important because the FCA has issued guidance on what it expects of firms when it comes to mobile phones and authentication. Those rules apply to online banking and online shopping, amongst other things. This complaint is instead about the steps Tesco Bank takes in the event that it has concerns that a customer's account or card has been compromised. In other words, steps

Tesco Bank takes to combat fraud.

I can understand why Mr M doesn't want to carry his mobile phone around with him all the time or might not always remember to do so. I accept that he's not the kind of person who has his mobile on him all the time. I don't, however, think it's unreasonable of Tesco Bank to place a temporary block on his account – that's something its terms and conditions allow it to do – in the event that it has concerns that a customer's account or card has been compromised. Nor, in the event that his account or card had been compromised, do I think Mr M would object – not least because such action could prevent him from becoming a victim of fraud. So, the issue is whether or not it's unreasonable of Tesco Bank to send a message to Mr M's mobile phone – or let him know by email or letter – if it suspects fraud. I agree with our investigator that this isn't unfair or unreasonable. That's something all banks do. For those reasons, I agree that this isn't a complaint that I should be upholding.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 17 November 2023.

Nicolas Atkinson
Ombudsman