

The complaint

Mr R complains about the time taken by HSBC UK Bank Plc to reimburse him after flight arrangements he'd paid for using his credit card were cancelled due to the Covid-19 pandemic.

What happened

Mr R arranged flights with a third party booking agent, E. The flights were with several different airlines. He paid using his HSBC credit card. Unfortunately, the flights had to be cancelled for a couple of reasons, but primarily due to the global pandemic. Mr R was told to claim the money back from his bank. So between March and June 2020, Mr R emailed HSBC asking for refunds and providing details of the different flight arrangements.

It took HSBC some time to acknowledge the refund claims. Mr R complained to the bank, which prompted it to take action to raise chargeback claims for the cancelled flights. Much of the money was received – either through the bank or directly from the airlines – and the claims closed by August 2020. But there remained a significant sum outstanding (over £1,000) which prompted a further complaint from Mr R in November 2020 after efforts to chase up the outstanding balance.

It took HSBC several more months (and Mr R several more emails) before the final amounts were refunded to Mr R's account in June 2021. HSBC acknowledged the delays Mr R had experienced, saying that due to the pandemic it had been dealing with an unprecedented volume of claims. It offered Mr R £150 compensation for his time and trouble.

Our investigator initially felt that was a reasonable sum to reflect the stress and inconvenience to which Mr R was put due to the bank's handling of the claims. Mr R didn't feel it went far enough, and on reviewing matters further the investigator proposed that HSBC increase its settlement offer to £225. The bank agreed to this, but Mr R did not. He felt the problems he'd experienced warranted a higher amount, referencing typical awards shown on our website.

Mr R said that as a compromise he'd be willing to settle matters if HSBC would pay him £275. HSBC wasn't willing to agree to a further increase and the complaint has been passed to me for review and determination.

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 acknowledged by all concerned that HSBC should have dealt with Mr R's claims more quickly than it did. While I understand the pressures the bank faced in dealing with higher volumes of claims, by any reasonable standard the claims ought to have been resolved sooner. To be fair, HSBC has acknowledged this. And – albeit belatedly – Mr R has had his money back. So the outstanding issue for me to determine is the appropriate level of compensation to reflect the frustration and difficulties Mr R experienced because of the

bank's delays.

I appreciate that Mr R was kept waiting and ended up sending many emails. He's clearly unhappy about that and has strong feelings about the standard of service he expects from the bank. I should be clear that none of the awards we make are intended as a fine or to punish the businesses we cover. Our investigator pointed Mr R to the information we publish on our website about the compensation awards we make for distress or inconvenience.

I share the investigator's opinion that HSBC's original proposal to pay Mr R £150 was a little too low, given what happened and where that sits within the range of our awards. I consider the £225 the investigator subsequently recommended to be a fair way to resolve matters. I understand why in Mr R's view it should be more. But based on what happened in this individual case I'm comfortable with the current proposal and see no reason to require a higher payment.

My final decision

My final decision is that to settle this complaint, HSBC UK Bank Plc should pay Mr R £225.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 7 March 2023.

Niall Taylor
Ombudsman