

The complaint

Mr L complains that HSBC UK Bank Plc submitted a chargeback claim when he asked for the chargeback to be cancelled. This resulted in a visa application for his wife being revoked, which meant they were unable to go on holiday.

What happened

In January 2022 Mr L completed online ESTA visa applications for himself and his wife in preparation for a holiday to the USA.

Whilst completing the online applications, Mr L thought his wife's application hadn't gone through properly, so he completed it again. Mr L then realised that his wife's first application had gone through successfully and that he had, as a result, made the second application unnecessarily including paying a second fee. The [payments for Mr L's visa application and both of his wife's applications were taken from Mr KL's credit card on 31 January 2022.

On 3 February 2022 Mr L contacted HSBC to raise a chargeback dispute for the payment arising from the second (unnecessary) visa application for his wife. HSBC applied a temporary credit to Mr L's account.

Mr L contacted HSBC again on 3 February and asked the call handler to put the chargeback dispute on hold. The call handler recorded the instructions in the wrong place on the system and the chargeback claim progressed and was ultimately successful, with Mr L being permanently credited and the claim marked as completed on 13 March 2022.

In May 2022 Mr L received an email from ESTA stating that there was an issue with his wife's visa application and that it had been revoked. He says he was told that this was because of a chargeback having been applied. Mr L tried to obtain another visa for his wife but was unable to do this in time. As a result, Mr L and his wife couldn't go on their holiday.

Mr L complained to HSBC. He said he wanted compensation for the cost of the holiday.

In response, HSBC acknowledged that Mr L had asked for the chargeback to be put on hold. It said the call handler had recorded this instruction incorrectly. HSBC offered compensation of £25 for this error but said it wouldn't cover the cost of the holiday because ESTA had received payment for two visas, and it was only the third visa which has been the subject of the chargeback.

Mr L wasn't happy with HSBC's response and complained to this service.

Our investigator upheld the complaint. She said that had HSBC not processed the chargeback, there was a good chance that the visa application would've been accepted, and that Mr and Mrs L would have been able to travel. The investigator noted, however, that two visa applications and two payments had been submitted to ESTA and that despite the chargeback in relation to the third application, there remained a valid application and payment for Mrs L's visa. The investigator thought there may have been an error by ESTA when it revoked Mrs L's visa. The investigator said there was no evidence to show that the

chargeback was the sole reason for the visa being revoked, and that she couldn't be sure that HSBC's error was the only reason why Mr and Mrs L were unable to travel. The investigator said it wouldn't be fair to ask HSBC to pay for all of Mr L's losses, but that HSBC should pay further compensation of £250 to Mr L for the distress and inconvenience caused.

Mr L didn't agree. He felt that HSBC should pay more because ESTA had told him that the reason the visa was revoked was because of the chargeback.

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.

There's no dispute that HSBC made an error when the call handler recorded Mr L's instruction to put the chargeback on hold in the wrong place. This meant the chargeback went ahead and Mr L was refunded the cost of one visa application.

The real issue here is whether HSBC should be held responsible for Mrs L's visa being revoked and the losses suffered as a result.

I can see from the information provided that HSBC applied the chargeback to one of the two payments made in connection with Mrs L's visa application. So there remained a valid application and payment for Mrs L's visa.

It therefore seems likely that the revocation of Mrs L's visa was not for reason of non payment.

Mr L has said that his wife's visa was revoked because of the chargeback. I've looked at the ESTA guidance. This says that an applicant won't be given a reason for a cancelled application. I've also looked at the email Mr L provided. This states that the reason for denial of the visa was because a request was received for a refund of the visa fee.

I don't think the email from ESTA is conclusive evidence that the visa was cancelled because of the chargeback. As I've already said, Mr L made two applications and two payments for his wife's visa, so the fact that a request was received by ESTA for the refund of one of the visa fees wouldn't have affected the other application. If it was the case that ESTA cancelled all of Mrs L's applications because a refund had been requested in respect of one application, then this is an error by ESTA and not something I can fairly hold HSBC responsible for.

I've taken into account whether there were alternative options available to Mr L to obtain a visa after the ESTA was revoked. The email from ESTA states that an application can be made for a non immigrant visa. I appreciate that Mr L tried to do this but couldn't arrange an appointment in time. I appreciate that there may have been delays with visa appointments, but this isn't something I can hold HSBC responsible for.

Taking everything into account, I'm satisfied that HSBC made an error when it recorded Mr L's instruction to put the chargeback on hold in the incorrect place. But I'm not persuaded that there is enough evidence to show that the chargeback in relation to one of the visa applications was the sole reason for Mrs L's ESTA being revoked. So, I can't fairly hold HSBC responsible for Mr L's losses here.

However, I do think HSBC should increase the offer of compensation it has made to Mr L for the inconvenience caused by the error.

Putting things right

To put things right, HSBC UK Bank Plc must pay further compensation of £250 to Mr L.

My final decision

My final decision is that I uphold the complaint in part. HSBC must take the steps I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 5 April 2023.

Emma Davy
Ombudsman