

The complaint

Mr A is unhappy about the limitations of a benefit that's included with his HSBC UK Bank Plc Premier credit card and feels that HSBC should have provided clearer information about it.

What happened

Mr A has a HSBC Premier credit card which, as a benefit, offers an extended warranty on household items. Mr A wanted to apply the extended warranty to a newly purchased mobile phone. But when he tried to do this, he discovered that mobile phones aren't covered by the benefit. Mr A wasn't happy about this and feels that HSBC should have made it clear that the extended warranty benefit didn't apply to mobile phones. So, he raised a complaint.

HSBC responded to Mr A and explained that the extended warranty benefit is offered by one of their business partners, a well-known insurance company, and that the terms of the extended warranty, including that it isn't applicable to mobile phones, are set by that insurance company. HSBC also felt that their documentation about the benefit signposted their Premier credit card customers to the insurance company's website, where details of the terms of the cover could be viewed. Mr A wasn't satisfied with HSBC's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they felt HSBC's response to Mr A's complaint was fair and reasonable. Mr A remained dissatisfied, so the matter was escalated to an ombudsman for a final decision.

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.

Having done so, I won't be upholding this complaint. This is because HSBC have already provided what I feel is a fair explanation to Mr A that the terms of the extended warranty are set by their business partner – the insurance company which provides the cover – and that as such, it isn't HSBC who made the decision to not include mobile phones in the list of items to which the extended warranty could be applied.

Additionally, I'm also satisfied that HSBC's documentation about the benefit confirms this point and directs the reader to the insurance company's website. Specifically:

6. This insurance can be applied to a wide range of household items, and will provide you with two years of breakdown cover, which commences when the manufacturer's warranty expires. It will also provide you with accidental damage cover, starting at the point you register the item with [insurance company] and continues until the end of the policy.

This is at no extra cost and registrations are unlimited. For a full list of items covered, including any limitations or inclusions, please refer to [insurance company].

Mr A has provided a screenshot from the insurance company for the HSBC extended warranty benefit which doesn't state that mobile phones aren't included. But as Mr A has himself described it, this is a 'landing page', and it invites the reader to begin the registration process. And given that Mr A discovered that mobile phones aren't covered by the policy, it stands to reason that information to that effect can be found later during the registration process.

Ultimately, I'm satisfied that it's for the insurance company, and wasn't a decision of HSBC, to set the terms of the extended warranty which is offered. And I don't feel that the information provided by HSBC about the benefit misled their Premier credit card customers or failed to appropriately signpost them to the insurance company where more detailed information about the benefit could be obtained.

Finally, I'm aware that Mr A would like this service to instruct HSBC to change their policies and processes regarding the information they provide to their customers about this benefit. But it isn't for this service to instruct a business to change its policies or processes. Rather, this service will only consider issuing instructions to a business about a specific complaint when it's felt that an unfair outcome has occurred in regard to that specific complaint. But I don't feel that an unfair outcome has occurred here – for the reasons explained above.

All of which means that I won't be upholding this complaint or instructing HSBC to take any further action. I trust that Mr A will understand, given what I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 23 June 2023.

Paul Cooper
Ombudsman