

The complaint

Mr A has complained about the service he received from HSBC UK Bank Plc, when he made a claim under section 75 of the Consumer Credit Act 1974.

What happened

Mr A bought a door, but didn't receive it, as the merchant went into liquidation. So, he decided to raise a claim with HSBC under section 75, for a refund. However, he's explained that he found the process for doing so to be problematic. He wasn't able to find the procedure on the website, and the call centres didn't help him. Ultimately, he raised the claim by contacting HSBC's head office.

But the problems persisted. A claim form was sent to Mr A's old email address, a one-time passcode was sent to the wrong phone number, he had problems contacting the right department by email and phone, and his refund was initially paid to a closed credit card account (rather than the account he'd already provided details for).

HSBC accepted there had been issues, and paid Mr A £400 in compensation. It then offered a further £200, because of the problems with making the section 75 refund payment. Mr A didn't feel this was fair, so brought his complaint to our service.

One of our investigators looked into what had happened. But she felt that a total amount of £600 compensation was fair.

Mr A disagreed, as he doesn't feel the compensation reflects the impact the situation had on him as a self-employed person, given the amount of time he had to spend sorting things out. His complaint's now been passed to me.

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 can see that Mr A had a considerable number of frustrations while making his section 75 claim, and that this was time-consuming. I understand he had to take time out of his working day to sort things out, a number of times, meaning he'd need to make up the time, or lose money. But I think that a total of £600 compensation is a significant sum – including £200 for the issues regarding where the claim was to be paid. Whilst I appreciate that is less than Mr A thinks is fair, I'm satisfied it's reasonable, and in line with what our service would have awarded. Although it may well not match what Mr A could have earned during the time he spent sorting things out, I think it reflects the fact that Mr A was caused considerable upset and trouble.

For these reasons, I'm satisfied that the £600 total compensation is fair. I leave it to Mr A to decide if he'd like to accept the £200 of this that he hasn't received so far.

My final decision

It's my final decision that the further £200 offered by HSBC UK Bank Plc is fair. I leave it to Mr A to decide whether he'd like to accept it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 20 August 2024.

Elsbeth Wood
Ombudsman