

The complaint

Miss H complains that HSBC UK Bank Plc didn't proceed with the chargeback claim she sought to raise against a merchant. Miss H also complains that HSBC wouldn't be prepared to raise any further disputes on her behalf.

What happened

Miss H purchased an item from a merchant, M, using her debit card. She discovered the item was faulty and returned it. Despite the item being marked as delivered M refused to issue a refund. Miss H raised a chargeback with HSBC. On speaking to HSBC she discovered there was a note on her account to say she wasn't allowed to raise any further debit card disputes and wasn't allowed to speak to the debit card dispute department. She brought a complaint to HSBC.

In its final decision HSBC said that as Miss H didn't have proof the item was defective or that M had offered a refund there wasn't a chargeback right it could consider. Regarding further disputes it said due to the volume of disputes which Miss H had raised it would not be prepared to raise any further disputes. Miss H didn't agree and brought her complaint to this service.

Our investigator concluded HSBC had acted fairly when it dealt with Miss H's dispute. She said regarding HSBC's decision not to raise further disputes for Miss H that it's not our role to tell HSBC how to run their business. Miss H wasn't yeah now I can concentrate on the sofa about half an hour to go and asked for a decision from an ombudsman.

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 realise this will come as a disappointment to Miss H but having done so I won't be asking HSBC to do anything further for the reasons I've outlined below.

When Miss H brought her claim to HSBC it initiated the chargeback approach. Chargeback is a transaction reversal made to dispute card transactions and obtain a refund if there is a problem with the product or service. Chargeback rules are set by the card scheme, and not the card issuer. The rules can be quite strict.

It's important to say that chargeback is a voluntary scheme not a legal right, there is no automatic right to it, nor is it a guaranteed method of getting a refund. The card issuer, in this case HSBC, checks the nature of the claim against the possible chargeback reasons to check what evidence may be required and the timescales of the scheme. Card issuers don't have to submit claims. And will likely only do so where they believe there is evidence to support a successful chargeback claim. In this case HSBC didn't believe it had enough evidence to proceed.

I've looked at the evidence Miss H sent in, and I haven't seen anything which confirms the

item was damaged or defective. I'm not disputing Miss H's testimony, but the chargeback scheme is evidence based. Miss H has said HSBC didn't ask her to send evidence because it told her it wasn't going to raise any disputes. She said she did have evidence that M offered a refund. I do understand Miss H's frustration and I can see that she wasn't asked for the information. But Miss H hasn't provided any evidence the item was defective to this service and without it I'm unable to assess whether or not it would have likely been enough for HSBC to raise the chargeback. Miss H did provide evidence to this service that M said it would refund the money but without evidence of a defect I'm not persuaded HSBC has acted unfairly by not raising the chargeback. I don't think the claim had a reasonable chance of succeeding, based on the available evidence and the testimonies from the parties involved.

HSBC has said it will not raise any further disputes on Miss H's behalf due to the volume of disputes she has already raised. I can understand that Miss H might be frustrated with this stance. But I believe this is a business decision by HSBC. As I mentioned above chargeback is a voluntary scheme and there is no automatic right to it.

I'm sympathetic to the fact this is not the news Miss H would like regarding HSBC. But I'm pleased to understand she has now received a refund from M.

My final decision

My final decision is I don't uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 28 February 2025.

Maxine Sutton
Ombudsman