

The complaint

Mrs B complains about the quality of a laptop which she purchased using her credit card supplied by HSBC UK Bank Plc ("HSBC").

What happened

I sent Mrs B and HSBC my provisional findings on this complaint on 5 December 2024. A copy of that decision is attached and forms part of this final decision.

I explained why I was not planning to uphold Mrs B's complaint and asked both parties to let me know if they had anything to add.

HSBC agreed.

Mrs B disagreed. Whilst she expressed her dissatisfaction with the service provided by this service, she provided no comments about the contents of the provisional 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.

As no new evidence has been provided for me to consider following my provisional decision, it follows that there is no reason for me to reach any different conclusion than set out in my provisional decision.

My final decision

I do not uphold Mrs B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 20 January 2025.

Provisional decision

I've considered the relevant information about this complaint.

Having done so, I'm minded to reach a different outcome to our investigator. I've explained why in this decision.

The deadline for both parties to provide any further comments or evidence for me to consider is 19 December 2024. Unless the information changes my mind, my final decision is likely to be along the following lines.

If I don't hear from Mrs B, or if she tells me she accepts my provisional decision, I may arrange for the complaint to be closed as resolved without a final decision.

The complaint

Mrs B complains about the quality of a laptop which she purchased using her credit card supplied by HSBC UK Bank Plc ("HSBC").

What happened

In August 2023, Mrs B purchased a laptop from a supplier I'll refer to as "S" for £450. She paid for the laptop using her credit card which was issued by HSBC.

Mrs B says when she inspected the laptop at home, there was an issue with the keyboard. So, she says she took it back to S. Mrs B said S appeared to carry out a repair but this didn't fix the problem. So, she says she took it back to S and asked for a refund. However, she says S declined. Mrs B says she took the laptop to the manufacturer who told her the motherboard would need replacing at a cost of £686.47.

Mrs B complained to HSBC and said she wanted a refund of the amount she paid for the laptop and compensation for the money she lost from not being able to work, the equipment she had to purchase and the stress that had been caused. Mrs B also complained about the way her complaint was handled. She said HSBC didn't provide her with a dispute form and then it debited the money twice from her account. She also said she was told the time limit had elapsed for chargeback and so, she could only make a claim under section 75 of the Consumer Credit Act 1974 ("s75").

HSBC issued its response to Mrs B's complaint in December 2023. It said it had attempted to contact Mrs B unsuccessfully. It said it would review a complaint under s75. HSBC also apologised and credited Mrs B's account with £200 for the overall service it provided.

Unhappy with this, Mrs B referred a complaint to this service. She reiterated her complaint and said she had to buy a new laptop and being unable to work from home left her in a vulnerable position. She also said she updated her email address with HSBC in 2023 over the phone, but she thinks it took this down incorrectly.

Our investigator looked into the complaint and said that HSBC had agreed to pay Mrs B a further £250 to settle her complaint. He said it was unclear if HSBC should have pursued a chargeback following S's defence and that Mrs B didn't have any evidence to show she had returned the laptop to S for repairs. However, if it had raised a chargeback claim successfully, the maximum it would have been able to recover was £450. Our investigator said as this was the total amount HSBC had now offered, he thought this was fair and reasonable in the circumstances.

Mrs B said she had to purchase a new laptop which was three times the cost of the laptop she purchased from S and that our investigator hadn't considered this. She also said HSBC had said it would pursue a chargeback, but it didn't do this.

As Mrs B remains in disagreement, the case has been passed to me to decide.

As part of this decision, I've not considered a complaint about s75. This is because Mrs B hasn't yet referred a complaint about the outcome of any claim she's made to HSBC concerning s75. If Mrs B remains unhappy about the outcome of her claim under s75 and she has complained to HSBC about this, subject to jurisdiction provisions, she may be able to refer a complaint about this to this service.

What I've provisionally 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've read and considered the whole file and acknowledge that Mrs B has raised a number of different complaint points. I've concentrated on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it – but because I don't think I need to comment on it in order to reach what I think is the right outcome. The rules of this service allow me to do this.

What I need to decide in this case is whether HSBC correctly raised a chargeback and whether it acted unfairly in any other way. If I think it has acted unfairly, I'll need to decide what's fair, if anything, to put things right.

Chargeback

A card issuer can attempt a chargeback in certain circumstances when a cardholder has a dispute with a merchant – for example where goods never arrived or where goods are faulty and not as described. Before a chargeback can be initiated by a card issuer, like HSBC, it's generally expected that the cardholder has attempted to resolve matters with the merchant first.

Chargebacks aren't decided on the merits of the dispute between the cardholder and merchant, but rather they're decided on the relevant card scheme's rules. Chargeback isn't a legal right and there's no guarantee the card provider will be able to recover the money this way. In this case, the guidelines are set by VISA and HSBC has no power to change them.

When there is a dispute about goods not being as described, generally the rules of the VISA chargeback scheme require the cardholder to return the goods to the merchant. But the rules do allow for circumstances where the cardholder has attempted to return the goods to the merchant but has been unable to.

When Mrs B raised a claim to HSBC, she explained that she had taken the laptop back to S and it had carried out a repair. She said she took the laptop back again but she was told it was fine and when she asked for a refund, she said S said it didn't offer refunds. Mrs B says she has no supporting information to show this.

S provided a response stating that the chargeback request was made without Mrs B contacting it. It said Mrs B could return the laptop and receive the funds through the chargeback, but she couldn't keep the laptop and also receive funds through the chargeback. In S's response, it referenced a different customer name in one section, but it provided the correct handwritten receipt with Mrs B's details and the credit card receipt. It also provided an email it had sent to Mrs B in October 2023, in which it said: *"We have received a chargeback request about your purchase and I will be most grateful if you can provide more information about the situation, since the item is still under warranty with us and we are willing to be of any help or assistance"*.

Ten days after this email was sent, Mrs B responded to S and said she wanted a refund. She explained she had gone to the manufacturer who said the laptop would need £800 worth of repairs and that the whole keyboard needed changing. She said to S, *"I told you when I came that I can't type. It won't let me"*. I think it's clear from this that Mrs B wanted to return the laptop and I think it's more likely than not that she tried to, as she alluded to this in the email she sent to S.

Unfortunately, HSBC was not privy to this email as when it requested further information from Mrs B, it didn't receive a response. This is due to HSBC corresponding with an incorrect email. The email it had on file had misspelled Mrs B's surname by one letter. HSBC acknowledged that the emails had bounced back from the email address it had on file. But it didn't attempt to contact Mrs B in another way using any of the other

correspondence details it had for her. Following this, the chargeback process ended as HSBC didn't have any further information to respond to S's challenge.

Having thought about this all carefully, if HSBC had used the correct email address to contact Mrs B when it requested further information, I think it's more likely than not that she would have provided the information showing she emailed S to ask for a refund. I think there would have been a reasonable prospect of the chargeback succeeding, if Mrs B had been able to provide further information. Normally this would mean that HSBC should pay the amount of the chargeback claim, which would be £450 in this case.

However, HSBC has since shown that it has provided Mrs B with a refund for the cost of the laptop and it has provided evidence of this credit being paid to Mrs B's account.

I can see that Mrs B initially paid for the laptop on 28 August 2023. When the chargeback was raised, her account was re-credited on 6 October 2023. On 23 November 2023, £450 was charged to Mrs B's account because of HSBC's error. This was re-credited to Mrs B's account on 8 December 2023. The amount was then taken out of Mrs B's account again on 28 November 2023. But it seems that when HSBC considered Mrs B's complaint under s75, it made a decision to refund Mrs B for the cost of the laptop.

The s75 claim was closed on 5 January 2024 and a payment of £450 by HSBC was made to Mrs B's account on the same day. This is the same amount she would have received had the chargeback been successful. So I'm satisfied that HSBC has put things right as Mrs B received a refund for the laptop in January 2024.

In light of this, I don't consider that HSBC needs to make any further payments in respect of the laptop Mrs B purchased from S.

I also appreciate that our investigator previously recommended that HSBC pay Mrs B a further £250 to bring the total payment up to £450. However the investigator was unaware, as it had not been disclosed by either party at the time, that Mrs B had already received a full refund of £450 in January 2024. So, I don't require HSBC to pay this amount and, in any event, HSBC has said it is not willing to pay this amount anymore.

Did HSBC act unfairly or unreasonably in any other way?

I've gone on to consider what Mrs B has said about the service HSBC provided. Having reviewed its actions, I don't think HSBC provided Mrs B with correct information and it sent emails to an incorrect email address and it didn't try and communicate with Mrs B in a different format even when it became aware the emails it had sent had bounced back to it.

I understand that Mrs B would like HSBC to also compensate her with the value of her new laptop that she purchased at a cost of around £1,500. However, HSBC has placed Mrs B back into the position she would have been in had she not purchased the laptop. That is to provide her with a refund of the amount she paid to S. I don't think that it is fair and reasonable to expect HSBC to place Mrs B in the position she would be in if she had only paid £450 for a laptop that cost £1,500.

I'm sorry to hear that Mrs B says she was unable to work from home as a result of the issue with the laptop and the impact that it has had on her finances and the stress to her and her family. However, it wouldn't be fair or reasonable to suggest that Mrs B should receive the cost of the new laptop or any consequential losses, as she didn't buy a new laptop from S and there is always going to be a level of distress when a complaint is made.

HSBC paid Mrs B £200 in December 2023 for the poor service it provided. I think this amount is fair and reasonable in all the circumstances.

Overall, I'm minded to conclude that HSBC need not make any further payments to Mrs B than it has already done so.

My provisional decision

My provisional decision is that I do not intend to uphold Mrs B's complaint.

Sonia Ahmed
Ombudsman