

The complaint

Mrs F complains that HSBC UK Bank Plc failed to reclaim a payment she made on her debit card.

What happened

Mrs F used her debit card to book an apartment via an online company that I'll refer to as "B"; she was due to visit Dublin with her husband for a few days. Unfortunately, Mrs F was unhappy with the standard of the apartment. To summarise her concerns, she considered the apartment to be:

- entirely unclean
- not as advertised – for example, it was further away from central Dublin than suggested in the description on B's website
- not compliant with some regulations around provision of heating

Mrs F tried to resolve things with B, but was unable to do so; in short, B pointed to its terms and conditions which set out that any cancellations made during a stay were non-refundable. In this instance, Mrs F had contacted B to cancel her stay after two days in the apartment, she'd then left the property and had gone on to book and stay in alternative accommodation elsewhere in the city.

After her complaints to B were largely rebuffed, Mrs F approached HSBC for help in raising a chargeback. HSBC considered what had happened and it asked Mrs F to provide any available evidence to support her position – which she did; HSBC proceeded with a chargeback but, ultimately, it was defended by B and the bank chose not to pursue it any further. In summary, HSBC said B had pointed to its terms and conditions – which outlined the non-refundable basis for cancellations – and this meant a chargeback was unlikely to have a reasonable prospect of success. Mrs F was unhappy with that; she complained, but HSBC didn't uphold the complaint and reiterated its reasoning for not proceeding with the chargeback.

Mrs F referred her complaint to this Service for an independent review. An Investigator here considered what had happened and, having done so, they didn't think the complaint should be upheld. In summary, the Investigator said that HSBC had acted reasonably in not pursuing the chargeback any further than it had; Mrs F didn't have enough evidence to show the apartment she'd rented wasn't as described. Additionally, B's terms and conditions did clearly outline the cancellation policy. When combined, those two elements meant that a chargeback here was unlikely to be successful.

In response, Mrs F largely reiterated her view that the apartment wasn't what she'd paid for, and she asked for an Ombudsman's decision. So, as no agreement has been reached, the complaint has been passed to me to decide.

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.

Preamble

Before I move to address the merits of Mrs F's complaint, I'll say that I know how strongly she feels about this matter. She's offered a significant level of testimony and supporting documentation, so I want to be clear that I have read and considered all that Mrs F has said and provided; I haven't, though, commented on each and every statement she's made. Instead, I've focussed on what I deem to be the crux of the matter. That's because our role is to be an informal service; I don't intend any discourtesy in my approach, it's simply to align with that purpose.

Moreover, I wanted to say I've noted Mrs F's extensive comment about the requirements for landlords around provision of heating. She's said my decision will have wide-ranging impact – should I not uphold her complaint – and could influence what she does with her own rental property.

Broadly speaking, and to reassure Mrs F, I have taken relevant rules, guidance, good industry practice and law into account. Additionally, it's key to remember that the scope of my review here is whether HSBC acted fairly and reasonably in how it dealt with her chargeback. Crucially, as I'll explain further below, chargebacks are decided upon the rules of the card scheme – like Visa, in Mrs F's case – and *not* on national laws which might, for example, take into account requirements for landlords; or claims of false advertising, misrepresentation and so on. That's particularly important to stress, I think, given Mrs F's view of the matter.

In summary then, I'm only looking at HSBC's actions in the specific circumstances of Mrs F's complaint. Anything outside of that, like the requirements for the provision of heating, aren't within my powers to review nor within the scope of this complaint. For those matters, Mrs F may wish to pursue alternative action, like in Court, for example.

Mrs F's chargeback

For completeness, I'll explain that the chargeback process provides a way for the card issuer – in this case that's Mrs F's bank, HSBC – to help a customer claim a full or partial refund of the amount they paid on their card, if certain things go wrong with what they've purchased. The process is mediated by the card scheme whose logo appears on the card in question – for Mrs F, this is Visa. Card schemes set various rules covering things such as what sort of scenarios are eligible for a chargeback, the kind of evidence required, and how long a person has to submit one.

It is, generally speaking, good practice for a card issuer to attempt a chargeback where the right exists and there's a reasonable prospect of success. That said, they're not guaranteed to be successful, and a consumer isn't able to demand that their card issuer attempt one. A chargeback can be defended too; the party which received the payment – generally known as the 'merchant', which would be B here – can resist a chargeback attempt. If neither the consumer nor the merchant concedes then, ultimately, the card scheme itself can be asked to rule on the dispute in a process called arbitration.

Mrs F presented HSBC with a scenario in which a chargeback can be attempted; she said, in effect, that the service she'd paid for wasn't as described. The bank did raise a chargeback which was defended by B, and HSBC then chose not to pursue things any further.

The fact is, of course, that I won't know for sure what would've happened had HSBC pursued Mrs F's chargeback to arbitration. Mrs F, on one hand, has shown why she

considered the apartment to be unclean and unsuitable – with photos of scratched, and clearly worn, pots and pans; alongside her testimony about the availability of only one radiator, for example. The merchant, on the other hand, has pointed to its terms and conditions, as well as the description of the apartment which sets out its facilities; like “kitchen”, and so on. My interpretation of B’s position is, essentially, that Mrs F received an apartment – in the city where she’d booked one – with amenities as described on its website, and her other grievances are largely subjective.

I have a great deal of sympathy for Mrs F and her husband; there’s no denying that things weren’t as they expected, and that this matter impacted their holiday. On balance though, while this’ll disappoint Mrs F, I consider HSBC’s decision not to pursue a chargeback to be a reasonable one in the circumstances. In my view, I think there’s enough uncertainty here to be able to determine it more likely than not that a chargeback would’ve succeeded at arbitration. After all, what is an acceptable standard to one guest – in terms of cleanliness, or even walking distance, for example – might not be acceptable to another. So, I think Visa would’ve looked at the core description of what Mrs F paid for.

Under that analysis, fundamentally, I don’t consider there to be substantive, and objective, evidence to show she *didn’t* receive an apartment which conformed to its description as set out on B’s website. That being an apartment, in Dublin, with the various facilities as listed. Given the confines of the chargeback scheme, and the defence supplied by B, I don’t think HSBC had much room for manoeuvre in taking things further here. I must keep in mind too that B’s terms, which formed part of its defence, clearly set out its refund policy – and demonstrated how Mrs F wasn’t entitled to one in these circumstances. On that basis, even if the bank had taken Mrs F’s dispute as far as it could, I’m not persuaded a successful outcome would’ve been achieved; I think it more likely that Visa would’ve ruled in B’s favour.

Having said all of that, I make no comment on whether Mrs F would be successful in pursuing B via other means. Again, I’ll refer to the point I made earlier about how chargebacks are decided upon the rules of the card scheme, which are rather limited, and not national laws which can incorporate wider elements.

My focus here is solely on HSBC and whether its actions were fair and reasonable in relation to Visa’s chargeback scheme, over which it has no control. Through that lens, while I won’t know for certain what view Visa would have held, for the reasons I’ve explained, I’m not persuaded a chargeback would’ve succeeded and, on that basis, it would be unreasonable of me to conclude that HSBC should refund Mrs F.

In closing, I am truly sorry that Mrs F and her husband didn’t enjoy some of their holiday because of the accommodation they’d booked; it’s clear the apartment didn’t meet the standards they’d expected which, no doubt, caused them trouble and disappointment. That said, for the reasons I’ve explained, I can’t fairly conclude that HSBC acted unreasonably when it decided not to proceed with the chargeback in these circumstances. It follows that I don’t uphold Mrs F’s complaint here.

My final decision

My final decision is that I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mrs F to accept or reject my decision before 16 September 2025.

Simon Louth
Ombudsman

