



## **The complaint**

Mr L complains HSBC UK Bank Plc didn't do enough to help get a refund for a purchase made on his debit card.

## **What happened**

In September 2024, Mr L booked a holiday, paying with his HSBC debit card. While on the holiday in November 2024, Mr L found the hotel to be significantly below the standard he'd expected, with parts of the hotel closed, or to a low standard, leading to him suffering an electrical burn. Mr L says this negatively impacted his health, meaning he was unable to fly home at the end of the trip and had to book further accommodation to recuperate.

Having been unable to resolve the issues with the holiday provider, Mr L called HSBC while on the holiday for help. Mr L says the call handlers were rude and refused to help.

Having returned from holiday, Mr L again asked HSBC for help. HSBC considered whether it could raise a chargeback, which is a means of asking the merchant (the holiday provider) for a refund, via rules set by the card scheme provider – Visa.

HSBC said, as Mr L had stayed for the duration of the holiday, it wouldn't be possible to raise a chargeback. As HSBC wouldn't change its decision, Mr L referred his concerns to our service.

One of our Investigators looked into what happened and thought HSBC was reasonable in declining to raise a chargeback. He said the chargeback rules are set by the card scheme provider, not HSBC. Our Investigator said he was satisfied HSBC had fairly considered the rules against the circumstances of Mr L's dispute, before deciding not to raise a chargeback.

Mr L disagreed, saying he'd tried to contact HSBC while on the holiday and he'd provided evidence of the hotel falling below the standard expected. As agreement couldn't be 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.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving disputes with minimum formality.

I'm looking here at the actions of HSBC and whether it acted fairly and reasonably in the way it handled Mr L's request for help in getting his money back. This will take into account the circumstances of the dispute as well as, and the card scheme rules, which HSBC must follow.

Mr L paid using his debit card. This meant the only realistic option available to HSBC to get his money back was to engage with a process known as chargeback.

Chargeback is governed by the card schemes and is not set down in law. It is also worth noting that chargeback is not the same as Section 75 of the Consumer Credit Act 1974 (which doesn't apply here), so HSBC isn't responsible for breach of contract or misrepresentation by a supplier of goods or services more generally, including as set out in the Consumer Rights Act 2015.

The chargeback process provides a way for HSBC to ask for a payment its customer made to be refunded. Where appropriate, it raises a dispute with the merchant and asks for the payment to be returned to the customer. There are grounds or dispute conditions set by the relevant card scheme (Visa) and if these are not met, a chargeback is unlikely to succeed.

In this decision, it isn't for me to decide the underlying chargeback dispute or whether Mr L's holiday was to the standard he'd expected, rather my decision is limited to whether I think HSBC acted reasonably in its handling of Mr L's chargeback request.

It isn't a requirement that HSBC must raise a chargeback every time it's asked. But where the circumstances of a customer's dispute fit within dispute conditions set out by Visa to mean it has a reasonable prospect of success, I'd expect HSBC to raise this to support its customer.

HSBC declined to raise a chargeback on behalf of Mr L, so I've considered whether it was fair in making this decision.

The scheme rules include a set number of reasons a customer can raise a chargeback if they have a problem. The most applicable reason codes for Mr L's dispute would be "*Not as described or Defective Merchandise/Services*" or "*Misrepresentation*" on the basis the holiday and accommodation fell below the standard Mr L had expected.

However, both of these reasons codes include a requirement that a chargeback can only be raised for "*the unused portion of the cancelled service*".

Mr L has explained he looked for alternative accommodation, however due to the time of year, other hotels were either fully booked or under renovation, meaning he was unable to make a reservation elsewhere. So, while I appreciate Mr L was deeply unhappy with his stay and had listed extensive faults, he did stay for the duration of his booking. On this basis, I don't think HSBC was then unreasonable in declining to raise a chargeback, as there wasn't a code through which Mr L could have successfully received a refund.

I note Mr L called HSBC towards the end of his stay and says the advisors were unhelpful. I've listened to a number of these calls, and while I appreciate they would have been frustrating as Mr L didn't receive the support he was hoping for, I haven't found the answers he was given to be incorrect.

As set out above, as Mr L had stayed at the hotel, it wouldn't have been possible for HSBC to dispute the full amount he paid. And Mr L has explained he wasn't able to find alternative accommodation until after this booking had come to an end, so I think it's unlikely he would have been in a position to cancel the last couple of days having called HSBC while abroad, as he couldn't find another hotel to book into.

I'm sorry to hear of the challenges Mr L faced while on this trip and the impact this had on his health, my decision isn't intended to detract from the problems it's apparent he faced. However, in this complaint, I'm only able to consider whether HSBC acted reasonably in considering whether it could help Mr L achieve a refund. As explained above, I think it did.

The only option through which HSBC could help was to raise a chargeback, however as Mr L had stayed for the duration of the holiday, there wasn't a chargeback reason code through which it could successfully raise a dispute that would see Mr L receive a refund. As a result, I won't be asking HSBC to do anything further in relation to this complaint.

### **My final decision**

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 16 July 2025.

Christopher Convery  
**Ombudsman**