

The complaint

Mr C complains that HSBC UK Bank Plc trading as first direct hasn't refunded a payment he made using his debit card. He's also unhappy with the overall level of service he has received when raising payment disputes.

What happened

In November 2024, Mr C called HSBC to raise a dispute about several payments he had made to an online merchant (who I'll refer to as "E"). The payments were made using his HSBC debit card in August and September 2024 and were for various purchases he had made from the merchant. Mr C said the merchant had failed to refund him for the purchases.

There were six payments in total that Mr C was disputing: £2.21, £2.26, £4.44, £4.53, £35.34 and £46.78. HSBC agreed to refund the four smaller payments without raising a chargeback. It did process a chargeback for the larger two transactions and provided Mr C with a temporary credit for those amounts while the chargeback was being processed. The chargeback for £35.34 was successful, but the chargeback for the transaction of £46.78 was defended by E because it said it had already refunded Mr C £44.28 back in October 2024. HSBC agreed to refund the £2.50 difference but re-debited £44.28 from the temporary credit it had previously applied.

Mr C complained about HSBC's decision to re-debit £44.28 from his current account. He was also unhappy about how HSBC handled his calls. HSBC didn't agree it had acted unfairly towards Mr C.

Our investigator didn't recommend the complaint be upheld. He was satisfied that HSBC dealt with Mr C's chargeback requests appropriately and that he had received full refunds for all six transactions. He didn't think HSBC had acted unfairly in the way it had communicated with him.

Mr C didn't agree, so the complaint has been passed to me for a 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.

Mr C made several payments to E using his HSBC debit card which he said he was owed refunds for. I've therefore considered whether HSBC acted fairly in assisting him with his various disputes.

A chargeback is a way in which payment settlement disputes are resolved between card issuers (such as HSBC) and merchants (such as E). The chargeback process is operated by the relevant card scheme, which has its own set of rules which set out when chargebacks can be processed and when they may or may not succeed.

HSBC decided to refund the four smaller payments to Mr C without processing a chargeback

– effectively refunding him out of its own pocket rather than E's (which would have been the effect of a successful chargeback). I think this was more than it was required to do in the circumstances, so I think it acted fairly in relation to these smaller disputes.

HSBC did process a chargeback for the two larger payments. The one for £35.34 was successful so I don't consider HSBC needed to do anything further with that dispute. The largest one for £46.78 was defended by E on the basis that it had already refunded Mr C in October 2024. I've seen evidence to indicate Mr C did receive this refund albeit, it was £2.50 less than the original transaction. I don't therefore think HSBC acted unfairly in re-debiting the temporary credit it had applied to Mr C's current account. I say this because had HSBC not re-debited the amount Mr C would have received back far more than he was ever entitled to.

I note that HSBC allowed Mr C to keep the additional £2.50 as it only re-debited £44.28, rather than £46.78. I think this was fair as I've not seen anything to demonstrate Mr C wasn't entitled to also receive that £2.50 refund. I'm therefore satisfied that Mr C has received all of his money back for all six transactions he was disputing and I don't think HSBC needs to do anything more in relation to those disputes.

Mr C says he was unhappy with the way calls were handled throughout the process. He says he was passed between departments against his wishes and his requests for a call back from a manager were not honoured.

I can understand why Mr C was frustrated with being moved between departments. However, HSBC has explained (and I've seen no reason to question the validity of what it says) that it had to transfer Mr C to another department because the questions he was asking couldn't be answered by the person he was initially speaking to. It says the first call handler did not have access to the relevant systems information.

Further, HSBC has said that a call back from a manager isn't always appropriate or necessary and it didn't promise Mr C this would happen. It did, however, provide him with a written response to his concerns the next day. While I can understand Mr C's disappointment that a manager didn't call him as he'd asked, I don't think HSBC were required to do this. I've seen HSBC did provide Mr C with a comprehensive response to his concerns the following day in writing, so I'm satisfied it responded to him appropriately and promptly. I don't therefore think HSBC needs to do anything to put things right.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 8 July 2025.

Tero Hiltunen
Ombudsman