

The complaint

Mr A complains that HSBC UK Bank plc won't refund to him the £36.95 that he was charged for a car advert.

What happened

Mr A was charged £36.95 for a car advert and that amount was debited from his account with HSBC Bank in January 2024. Mr A contacted HSBC Bank about the charge and it made a chargeback claim. The chargeback claim was defended by the merchant. HSBC closed Mr A's account and he complained to it about its decision to close his account and that he was expecting a refund in relation to the payment of £36.95. HSBC Bank said that it had looked at the dispute and the merchant had declined a refund so no refund was due to Mr A.

Mr A wasn't satisfied with its response so complained to this service about the refund and about other issues. His complaints about the other issues have been, or are being, dealt with separately and this complaint only relates to the chargeback claim for £36.95. Mr A's complaint was looked at by one of this service's investigators who, having considered everything, didn't recommend that it should be upheld. She said that she didn't think that HSBC had done anything wrong by not challenging the chargeback claim as the information that Mr A provided shows that he agreed to a service with the merchant and he wasn't due a refund after the advertisement went live on the merchant's website.

Mr A didn't accept the investigator's recommendation and has asked for his complaint to be considered by an ombudsman. He says that he was eligible for a free advert and that he cancelled the advert before it went live.

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.

If a consumer disputes a card payment, the card issuer may be able to make a chargeback claim to the merchant under the relevant card scheme to try to settle the dispute. There's no right for a consumer to require that a chargeback claim be made and the applicable scheme rules set out the disputes that can be considered and the time limits for making a claim. If the right to make a chargeback claim exists under the applicable scheme rules, and if there's a reasonable prospect of success, I consider it to be good practice for a chargeback claim to be made. In this decision, I'm not deciding the merits of the disputed payment but whether or not HSBC has dealt with the chargeback claim correctly.

Mr A disputed the payment of £36.95 that he was charged for the car advert and HSBC made a chargeback claim in February 2024. The merchant said that the purchase was non-refundable. It said that Mr A was initially listing the car using its free bargain package but that was the incorrect package so the advert was removed and Mr A then listed the car using its basic package for which he was charged £36.95. As the chargeback had been defended by the merchant, HSBC said that no refund was due to Mr A.

I consider that HSBC acted correctly, and as I would expect it to, by making a chargeback claim. When the chargeback claim was defended by the merchant, I don't consider that HSBC was required to take any further action concerning the claim. Mr A says that he was eligible for a free advert and that he cancelled the advert before it went live. The merchant says that Mr A initially listed the car using the incorrect package. When Mr A contacted the merchant about the advert in January 2024, it confirmed that the advert was live and that the car was being advertised for a price of £8,400. Mr A asked it to remove the advert and cancel his payment later the same day but the merchant said that Mr A had selected the package and was charged accordingly and he was sent a receipt for the payment. The merchant also says that the advert dropped off but not until after the advertised price of the car had been reduced by Mr A to £8,200.

I'm not persuaded that HSBC has acted incorrectly in the way that it dealt with Mr A's chargeback claim. I find that it wouldn't be fair or reasonable in these circumstances for me to require HSBC to refund the £36.95 to Mr A, to pay him any compensation or to take any other action in response to his complaint.

My final decision

My decision is that I don't uphold Mr A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 30 July 2025.

Jarrold Hastings
Ombudsman