

The complaint

Mrs O complains that HSBC UK Bank Plc declined her claim for a refund of an accommodation booking paid for using her HSBC credit card account.

What happened

Using her HSBC credit card, Mrs O booked holiday accommodation through a company I'll refer to as B. Unfortunately, whilst at the property, Mrs O was robbed – cash and other items were stolen. Mrs O said the property owner wasn't helpful, and B didn't refund the cost of the accommodation.

Mrs O raised a dispute for her transaction with HSBC. HSBC declined her claim, saying it wasn't possible to raise a chargeback as B had provided the service it was contracted for, and Mrs O hadn't cancelled her stay at the property.

Unhappy with HSBC's response, Mrs O contacted our service. Mrs O said they couldn't afford alternative accommodation as their money and valuables were stolen.

One of our Investigators reviewed Mrs O's complaint but didn't uphold it, saying HSBC were right not to raise a chargeback as it wouldn't have succeeded. Our Investigator said HSBC didn't consider whether Mrs O had a valid claim under Section 75 of the Consumer Credit Act 1974 ('Section 75'). But, even if it had, it's unlikely a claim would have been successful as there was no evidence to show a breach of contract or misrepresentation on B's part. Mrs O remained unhappy so this has come 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.

I'm sorry Mrs O was robbed whilst on holiday – this must have been very distressing. My role here, though, is to decide whether HSBC met its obligations in its role as a financial service provider.

When a person approaches their credit card provider for assistance when something has gone wrong with a purchase they've made, there are a couple of ways in which their provider may be able to help. The provider could potentially attempt what is known as a "chargeback" on any payments made with the card, and they could consider a claim under Section 75.

Chargeback

Chargeback is a way for HSBC to raise a dispute with a merchant (B) where something has gone wrong. However, it doesn't cover all eventualities – under the card scheme's rules (here, that's VISA) there are a limited number of reasons for raising a chargeback. A chargeback isn't a legal right or guaranteed to get a customer a refund.

Here, HSBC didn't raise a chargeback as there were no grounds on which it would succeed. In the circumstances, I agree. Having reviewed VISA's rules, I can't see any grounds on which a chargeback would have been successful – Mrs O completed her stay and there's no evidence to show the property was not as described. And even if Mrs O had cancelled her stay, there's nothing to show she would have been entitled to a refund from B. Overall, I think HSBC's decision not to raise a chargeback was reasonable.

Section 75

In some circumstances, Section 75 means Mrs O can make a claim against the provider of credit (HSBC) where there is a misrepresentation or breach of contract by the supplier of goods or services financed by the credit. However, it will only apply when the criteria for a Section 75 claim are met. The financial limits for a claim have been met in this case. However, there also needs to be a direct relationship between the debtor, creditor, and supplier (otherwise known as a DCS agreement). Here, B is a platform that allows the owners of properties to advertise them to customers. B's website terms and conditions set out that when a customer makes a booking on its platform, they are entering into a contract with the property owner (who would be the supplier here). So, it may well be that the necessary DCS agreement between Mrs O, HSBC and the supplier of the property. But in any event, I have gone on to consider if there was a breach of contract or misrepresentation on B's part.

Mrs O hasn't provided anything to HSBC or our service to show a misrepresentation or breach of contract occurred in this case that would make HSBC liable to her under Section 75. I've reviewed B's online terms and conditions and the evidence provided by Mrs O, and there is nothing to show B had any contractual obligation to prevent unauthorised access to the property or obligation to provide a refund if such an event occurred. And similarly, there is nothing to show B made any misrepresentations about the security of the property or that the property was not as B described it. I haven't seen anything that makes me think there was a breach of contract or misrepresentation on B's part. So, even if HSBC had considered a Section 75 claim, I don't think it would have been obliged to accept it or refund Mrs O the money she paid to rent the property.

My final decision

Whilst I realise my decision will disappoint Mrs O, I don't uphold her complaint for the reasons explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O to accept or reject my decision before 19 August 2025.

Victoria Blackwood

Ombudsman