

The complaint

Mr P is unhappy that, following a chargeback claim, HSBC UK Bank PLC (“HSBC”) debited money from his account without properly communicating the outcome of the claim or giving him sufficient notice.

What happened

The parties are familiar with the background of this complaint, so I will summarise it briefly here, which reflects my informal remit.

On 27 October 2024 Mr P purchased a car for £14,700 using his HSBC debit card. He said that at the time of purchase, the service light was on, and a low tyre pressure warning light was displayed. He was told the service light would be reset, tyre pressure would be topped up after the sale, and that the service history documents would be sent by post. He was also assured the car came with a full-service history and valid warranty.

Following the purchase, Mr P said the tyre pressure issue persisted, and he later discovered the car was overdue a service, which should’ve been completed by 10 October 2024. The manufacturer confirmed that missing this fourth service would invalidate the warranty. Mr P felt the car hadn’t been accurately described, as it didn’t have a valid warranty or a full-service history.

Mr P attempted to resolve matters with the dealer but was unsuccessful. In December 2024, he contacted HSBC, who raised a chargeback for £600, under goods and services not as described. HSBC temporarily credited this amount to his account. In January 2025, the merchant defended the chargeback, and the case was taken to arbitration, where VISA ruled in favour of the merchant.

In February 2025 Mr P contacted HSBC for updates. On 28 February 2025, HSBC wrote to Mr P explaining that VISA had ruled in favour of the merchant and that it couldn’t assist with the claim further. The letter also said that £600 would be re-debited from his account seven days from the date of this letter and advised him to ensure sufficient funds were available. Mr P said he never received this letter.

On 7 March 2025, HSBC re-debited £600 from Mr P’s account. He raised a complaint, saying he hadn’t been informed about the re-debit. Later in March 2025, HSBC issued a final response, confirming the dispute had been handled in line with its policies and procedures, and that correspondence regarding the chargeback outcome and re-debit was sent.

As Mr P remained unhappy, he referred his complaint to our service. The investigator concluded that HSBC had acted in line with the relevant chargeback rules, taking the claim as far as possible to arbitration, and that the final decision was made by the card scheme, VISA. Regarding the re-debit of £600, the investigator didn’t consider HSBC had acted incorrectly as it had sent him a letter to say it would be doing this.

Mr P clarified that his complaint was not about the chargeback outcome, which he accepted had been decided by VISA, but was about HSBC’s poor communication. Despite HSBC

having his mobile number, email address and access to the HSBC app, none of these methods were used to notify him of the outcome or the re-debit. He argued that this was particularly important because he never received the letter dated 28 February 2025 and as a result, he didn't have sufficient funds available when the re-debit happened.

Mr P also noted that the letter dated 28 February 2025 contained a reference that didn't belong to him and appeared to relate to a third-party organisation. He suggested that it had been drafted later by HSBC and had never actually been sent. As HSBC failed to properly communicate with him, Mr P said this caused him stress and inconvenience. He asked for a final decision on HSBC's poor communication and the impact this had on him.

As Mr P remained unhappy, the case has now been referred to me to make a final 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.

Whilst I've read and considered everything, if I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. This is not meant as a discourtesy but rather reflects my role of resolving disputes with minimum formality.

Having considered all the evidence, I am satisfied that HSBC acted appropriately in how it dealt with the chargeback. It raised the claim, pursued it as far as possible, and ultimately took the claim to arbitration, where VISA ruled in favour of the merchant. On that basis, I consider HSBC did what it reasonably could have to support Mr P's request for a refund.

Mr P has also confirmed that he understands the chargeback process, which was ultimately decided by VISA, and that HSBC did not influence the outcome. His complaint therefore is not about the outcome itself, but rather about HSBC's communication of that outcome and the lack of notice before £600 was re-debited from his account. I have therefore focussed on this issue and whether HSBC adequately informed Mr P about the chargeback outcome and the re-debit.

HSBC said it explained that the chargeback had been unsuccessful and that the temporary credit would be removed in its letter dated 28 February 2025. Mr P, however, says he did not receive this letter. He also questioned its authenticity, particularly the reference number, and suggested it may have been produced after that date.

HSBC explained that the reference number was an internal code used for letters of this type, generated from a free-format letter template, and was not linked to a third party. I have reviewed HSBC's internal notes, for 28 February 2025, and can confirm that a letter to Mr P was generated on that date using the same reference number. The letter was also sent to the address HSBC held on file for Mr P, which is his current address. I am therefore satisfied the letter was generated and sent to him at that time.

The letter clearly confirmed both the outcome of the chargeback and that the temporary credit would be re-debited from Mr P's account. Earlier in the chargeback process, when Mr P spoke with HSBC, he was also advised that the credit was only temporary and could be reclaimed depending on the outcome. I am therefore satisfied that he was made aware that the funds could be taken back, and that when the letter was sent, it informed him of when this would occur.

While I do not doubt what Mr P has said about not receiving this letter, my role is to assess HSBC's actions. Based on the available evidence, I am satisfied the letter was sent as required and I cannot hold HSBC responsible for Mr P not receiving it.

Mr P has suggested that HSBC should have used alternative communication methods, such as phone, email, or its app to notify him of the outcome and about the re-debit to ensure sufficient funds were available. While I understand his concerns, I have not seen anything that required HSBC to communicate with Mr P using these additional methods. As the letter was sent by post, and I am satisfied it was issued, I consider HSBC met its obligations to inform him of the chargeback outcome and the planned re-debit.

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Finally, I have also considered the impact of the re-debit on Mr P's account. His statements show that while the re-debit occurred on 7 March 2025, the account did not go into overdraft until almost two weeks later. I can also see that he made his complaint on the same day as the re-debit and contacted HSBC promptly. In these circumstances, I consider that he had sufficient time between the re-debit and his account going overdrawn to mitigate any potential loss. I therefore cannot conclude that the re-debit caused immediate or unavoidable financial detriment, particularly as he was aware that the £600 credit was temporary.

Taking everything into account, I am satisfied that HSBC acted fairly. It pursued the chargeback appropriately, communicated the outcome and the re-debit by letter, and cannot reasonably be held responsible for the fact that Mr P says he didn't receive the letter.

My final decision

I don't uphold Mr P's complaint against HSBC UK Bank PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 27 October 2025.

Farhana Akhtar
Ombudsman