

The complaint

Mr B complains that HSBC UK Bank Plc (“HSBC”) rejected his claim in respect of a holiday.

What happened

Mr B booked a holiday for him and his wife with a holiday company (“the merchant”) at a cost of £2,751.48. He has explained his wife suffers from a medical condition and he was recovering from surgery so wanted to have access to food at the hotel. The merchant’s website said the hotel had a bar, poolside bar, restaurant and show cooking. When they arrived they discovered that the hotel required 48 hours’ notice if they wanted an evening meal and the pool bar was not open.

They complained to the merchant and it offered them vouchers worth £170 or cash of £130. Mr B didn’t consider that to be reasonable so he contacted HSBC. It considered a chargeback but decided that as Mr B didn’t want all his money back this was not a suitable route to take. It also considered section 75 Consumer Credit Act 1975 (“s.75”) and decided there had been no breach of contract. It said he had booked the hotel on bed and breakfast basis and this is what had been supplied.

Mr B complained and HSBC accepted he had been misled during the course of a phone call and told his claim would be successful. For this it offered him £50 compensation. However, it didn’t consider that there was anything wrong with its handling of his claim.

Mr B brought a complaint to this service where it was considered by one of our investigators who recommended it be upheld. She felt Mr B had been led to believe he and his wife would have access to both the restaurant and the pool bar, but these had not been available. In the course of his claim Mr B had also said the standard of the room had not been satisfactory and had supplied photos. Our investigator agreed with HSBC that this element of his claim should not be upheld. However, she considered he should be refunded 15% of the cost of the holiday and additional compensation of £50.

HSBC didn’t agree and said there had been no breach of contract.

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.

Having considered all the evidence provided by both parties I consider this complaint should be upheld. I will explain why.

Firstly, I would say that I agree with HSBC regarding the chargeback. I do not consider this to have been an appropriate method to have used to obtain redress for Mr B. However, I think the s. 75 claim did have merit.

S. 75 offers protection to customers who use certain types of credit to make purchases of goods or services. Under s. 75 the consumer has an equal right to claim against the provider

of the credit or the retailer providing the goods or services, if there has been a misrepresentation or breach of contract on the supplier's part. For s. 75 to apply, the law effectively says that there has to be a

: • Debtor-creditor-supplier chain to an agreement and

- A clear breach of contract or misrepresentation by the supplier in the chain.

Our role isn't to say if there has been a breach of contract or a misrepresentation for a valid claim under s. 75 but to consider if HSBC had come to a fair outcome based on the evidence provided. I am satisfied the required agreement chain is in place and so I must consider if there has been a breach of contract or misrepresentation.

HSBC has taken a relatively narrow view and said that as Mr B only booked bed and breakfast the hotel did not contract with him to provide any other meals. However, the merchant's website, which gives very little information about the hotel, does claim that the hotel had a bar, poolside bar, restaurant and show cooking. It doesn't give any further information about the provision of food. It certainly doesn't say that 48 hours' notice is required if a guest wants a meal other than breakfast which, incidentally, is served in the room.

However, looking at the hotel's website and other holiday companies which market the hotel it is clear to me that the hotel does not have a restaurant. One website states categorically that "this hotel does not have an on-site restaurant". But the merchant Mr B used advertises it as having a restaurant. I am satisfied this is a misrepresentation. It goes further in that it says it offers show cooking which indicates that it is a food oriented hotel and reinforces a reading of the website that implies there will be food readily available at the hotel.

I also consider this to be a breach of contract. I accept Mr B only booked bed and breakfast, but it is clear that he was given to expect access to a restaurant, but this was not provided. He booked a hotel which apparently offered certain facilities and then found out it did not. I consider access to the advertised facilities was part of the contract and so the lack of a restaurant breached his contract. Mr B and his wife had the benefit of the flights and accommodation etc. so I consider only a partial refund is due. I agree that a 15% refund is fair.

As for Mr B's concerns about the standard of the accommodation I do not consider his claim is merited. Quite simply the photos do not indicate a breach of contract. They show some wear and tear, but not such that any redress is merited.

Putting things right

I consider this complaint should be upheld and HSBC should:

- Pay a refund of 15% of the total cost of the booking.
- Pay an additional £50 for the distress and inconvenience caused. This is on top of the £50 already offered.

My final decision

My final decision is that I uphold this complaint and direct HSBC UK Bank Plc to pay Mr B redress as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or

reject my decision before 8 September 2025.

Ivor Graham
Ombudsman