

The complaint

Mr H complains HSBC UK Bank Plc acted unfairly by not refunding a payment he made using his credit card.

What happened

In March 2020, Mr H purchased a bathroom mirror from a company I'll refer to as L. He paid £159.99 using his HSBC credit card.

Around May 2025, Mr H noticed the backing of the mirror was coming away from the glass and had started to corrode, so he contacted L. He also explained another mirror, from a different supplier didn't have any defects. L reviewed matters but explained under its terms and conditions mirrored glass was guaranteed for up to two years against deterioration and corrosion, and as this time had passed there was nothing further it could do.

Unhappy, Mr H contacted HSBC in an attempt to claim a refund under Section 75 of the Consumer Credit Act 1974 (CCA).

HSBC reviewed matters but declined Mr H's claim. It didn't agree there'd been a breach of contract or misrepresentation, as L's warranty for mirrored glass lasted two years. As a result, Mr H complained, saying HSBC should also consider sections 62 and 63 of the Consumer Credit Act 2015 (CRA), as he considered this term was hidden within the warranty and as such should be considered an unfair term.

HSBC considered Mr H's complaint and while it didn't change its position in relation to the claim outcome, it thought it could have provided a better service. And for this it awarded £50 compensation, applied as credit to Mr H's account. It also said it didn't consider Mr H's claim under the CRA, as it had been considered under section 75. Mr H didn't agree this fairly resolved matters so referred the complaint to this Service.

An Investigator here reviewed matters but concluded there'd been no breach of contract or misrepresentation, as the issue occurred outside of L's warranty period, so didn't think HSBC was unreasonable in declining Mr H's Section 75 claim. They also said while HSBC was incorrect in not considering the CRA, they didn't think L's terms amounted to unfairness and as such there'd been no breach of contract or misrepresentation for this reason either. They also said Mr H's claim was raised too late to be considered under chargeback. Overall, our Investigator didn't think HSBC had acted unfairly.

Mr H disagreed and said as this Service considered HSBC should have examined the CRA, it was right his claim was returned to HSBC to do so. Our Investigator reiterated that even though HSBC hadn't considered this point it didn't change the outcome here. As such, Mr H requested an ombudsman consider his complaint.

As no agreement has been reached, the complaint has been passed to me to decide.

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.

In this decision I'm only able to consider how HSBC handled the dispute Mr H raised with it. I'm not able to consider the actions of L, as that isn't within the jurisdiction of this Service for these types of complaints.

When a customer approaches their credit card issuer about a problem with a purchase made using their card, there are two avenues via which the business can help. The card issuer can try to reclaim the amount (or part of the amount) paid on their card, via the dispute resolution mechanism operated by the card scheme, and which is often known as "chargeback". Where the payment has been made using a credit card, it can also consider honouring a claim under section 75 of the CCA. I will consider each of these mechanisms in turn below.

Chargeback

Chargebacks are governed by rules set by the card scheme to which the consumer's card belongs – Mastercard in this case. Chargebacks are not guaranteed to succeed, the recipient of the funds (L) can choose to challenge or defend a chargeback if it doesn't think it is valid. But I would expect HSBC to attempt a chargeback if there was a reasonable prospect of success.

Here, HSBC doesn't appear to have attempted a chargeback, but I don't think that's unreasonable, as I don't think there was a reasonable prospect of success. I say that because Mr H first raised his dispute with HSBC in June 2025, however Mastercard's scheme rules include provisions relating to how long after a transaction takes place, a customer is able to dispute this. Where a payment has been made for goods, and those are not as described or defective, as is the case here, the rules say a chargeback must be attempted within a maximum of 120 days of the delivery date.

As such when Mr H contacted HSBC in June 2025 it was already too late for HSBC to raise a chargeback at this point. So I don't think it acted unfairly in not doing so and nor do I consider Mr H lost out as a result of HSBC not attempting a chargeback when he first contacted it.

For completeness, in addition to the above, our Investigator has said a chargeback needed to be raised within 540 days of the transaction date, and that also didn't happen. However, based on what I've seen, under this reason code, the time limit of 540 days doesn't apply. But as Mr H didn't contact HSBC until June 2025, it doesn't change the outcome here in any case.

Section 75 of the CCA

Section 75 of the CCA allows consumers who have purchased goods or services using a credit card, to claim against their credit card issuer in respect of any breach of contract or misrepresentation by the supplier of those goods or services, so long as certain conditions are met.

One condition which needs to be met for section 75 to apply, is the claim must relate to an item with a cash price of over £100 and no more than £30,000. Mr H paid £159.99 for the mirror, so that's been met here.

A further condition that needs to be met, is that there needs to be what is known as a debtor-

creditor-supplier ("DCS") agreement in place. That was also met here.

I also need to be persuaded there has been a breach of contract or misrepresentation and if there has, what the resolution should be.

Has there been a misrepresentation or breach of contract?

Misrepresentation

For the purposes of this case, a misrepresentation is a false statement of fact which induces another party into a contract which leads them to suffer a loss.

Mr H is complaining the mirror is of poor quality, as the back is peeling off and the mirror is corroding. As such, I think it would be more appropriate to consider this argument under a breach of contract.

I've also seen nothing that would represent a false statement of fact by L, which induced Mr H to enter a contract with it. So I've therefore gone on to consider whether there has been a breach of contract.

Breach of contract

A breach of contract occurs when one party to the contract fails to discharge its obligation to the other. These obligations may come about as a result of the express terms of the contract, or because of terms implied by legislation.

Mr H's primary concern here is the quality of the mirror. He says when he purchased it the invoice stated there was a ten-year warranty. To evidence this Mr H has provided the invoice along with photos, showing the corrosion around the edge of the mirror. He's also said another mirror, purchased from a separate supplier around the same time, has no issues. As such, he doesn't consider the mirror purchased from L is of reasonable quality.

L said it was unable to offer a refund or replacement as Mr H contacted it outside of the two-year guarantee period.

Having reviewed L's terms and conditions it says:

"22.5 Mirrored glass is covered for 2 years from the date of purchase against mirror deterioration or corrosion, excluding accidental damage. Care should be taken to ensure your bathroom is well ventilated and the mirror surface is kept clean using appropriate glass cleaning products only."

Given the problems Mr H has experienced with the mirror, I think L's terms make clear issues such as this are only covered for two years. Mr H didn't contact L until 2025, around five years after purchase, so I can't say there's been a breach of contract as a result.

In deciding what is fair and reasonable I have also considered the terms implied by the CRA, that says goods will be of satisfactory quality. Satisfactory quality means the standard that a reasonable person would consider satisfactory taking into account the price, description and other relevant circumstances. If the goods purchased fail to meet these standards then this would be considered a breach of contract – something for which HSBC would be liable for.

It's important to note however, that where a fault develops after six months, as is the case here, it would be for Mr H to demonstrate the faults existed at the time of purchase.

As explained, Mr H has provided photos showing the mirrors wear, but these were taken many years after purchase. While Mr H has compared the quality of the mirror supplied by L, to another mirror from a separate company, I don't think that demonstrates unsatisfactory quality. There's any number of reasons the other mirror didn't develop the same issues, such as material type or cost. So this can't be used as a reason to say the mirror L supplied was of unsatisfactory quality. I'm also aware Mr H says there was good extraction in the room the mirror was placed, but once again I don't think that's enough to demonstrate there was a fundamental fault with the mirror. As such, given the age of the mirror and the lack of other persuasive evidence to show there was an inherent manufacturing fault, I am unable to fairly conclude the goods were of unsatisfactory quality at the time of sale. So I don't think there has been a clear breach of contract here either.

Mr H also complains L's terms are unfair, noting the invoice and warranty card mentioned a ten-year warranty. He's also said as L only mentioned the two-year warranty for mirrored glass under section 22.5 of its terms and conditions, it's hidden. And as such it's in breach of the terms implied by the CRA.

I should say here that ultimately whether a term or notice is to be deemed unfair is a matter for a court to decide, but when determining what is fair and reasonable in all the circumstances of this case, I must consider what I think a court would have been likely to decide here.

The CRA includes provisions regarding unfair contract terms, within this it says terms must be clear and prominent – in brief, meaning it is brought to the attention of a consumer.

While the invoice and warranty card Mr H received, do mention a ten-year warranty, it also says:

*“*Condition apply, please read T&C available on website”.*

As such, this cannot be taken in isolation and must be read in conjunction with L's other terms available on its website. Which I consider were clear and available to Mr H at the time. I say that because, while this term was under point 22.5, it's found under the heading *Terms and Conditions of Sale*, which itself covers point 15 to 23. As such I can't agree the term was hidden in the way as Mr H says.

Turning now to the fairness of individual terms, the CRA sets out that a term of a contract is unfair if it causes a significant imbalance in the parties' rights and obligations under the contract, to the detriment of the consumer. Schedule 2 of the CRA goes on to give examples of contract terms which may be regarded as unfair.

Having reviewed Schedule 2, I cannot see that L's terms fall into any of the categories set out in the schedule and as such I'm not persuaded a court would be likely to conclude this was an unfair term. I think L's terms and conditions make clear there is a limit to the guarantee on mirrored glass, and here, Mr H submitted a claim after that guarantee had expired.

For completeness, while HSBC says it didn't consider Mr H's claim against the CRA, I don't think that changes the outcome here. That's because, as I've set out above, taking account of the CRA, I haven't found L's contract terms were unfair. This means I think it's reasonable for L to rely on these and in doing so, hasn't breached the contract it entered with Mr H. This therefore means, had HSBC considered this aspect, it wouldn't have been unfair in declining Mr H's claim on this basis either – so Mr H hasn't lost out as a result of it not doing so.

While I appreciate this will come as a disappointment to Mr H, overall I don't think HSBC has

acted unfairly here. A claim under chargeback didn't have a reasonable prospect of success, as it was raised too late. And because I don't think there has been a breach of contract or misrepresentation by L, when considering HSBC's liability under section 75, I don't think it's acted unfairly by declining Mr H's claim on this basis. As such, taking everything together, I won't be asking HSBC to do anything further here.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 25 December 2025.

Victoria Cheyne
Ombudsman