

The complaint

Mr D has complained that HSBC UK Bank Plc trading as first direct “HSBC” declined his claim for money back in relation to the supply and installation of a garden building he paid in part with his credit card.

What happened

All parties are familiar with the facts of this case so I’ve only briefly set them out here. Mr D ordered a garden building (the building) from a supplier (who I’ll refer to as T). The order form is dated 17 May 2025, and the total cost of it was £5,161 with a deposit required of £1,290. On 25 June 2025, Mr D used his HSBC credit card to pay £100 to T and I understand the remainder of the deposit, had already been paid via bank transfer.

Mr D says he believed the supply and installation of the building was due to commence on 10 July 2025, and when this didn’t happen, he exercised his right to end the contract and receive a full refund. He says when his refund was denied by T, he contacted HSBC to raise his dispute. HSBC initially considered a claim under the chargeback scheme and also considered a claim under section 75 of the Consumer Credit Act 1974 (section 75). HSBC didn’t pursue a chargeback claim as T was willing to provide the goods and service and his section 75 claim was declined because it didn’t think there had been a breach of contract.

Unhappy, Mr D referred the matter to our service. He reiterated his concerns that he and T had agreed a specified date of delivery and once this was breached he was entitled to end the contract. He also raised concerns with T not providing a detailed specification of the building as well as concerns over its behaviour.

Mr D’s complaint was considered by one of our investigators. They didn’t think HSBC needed to do any more in relation to Mr D’s chargeback claim. They also felt there was insufficient evidence to show there was a breach of contract so didn’t think Mr D’s complaint should be upheld

Mr D didn’t agree broadly for the following reasons:

- He felt under section 28 of the Consumer Rights Act 2015, he was entitled to end the contract when T failed to deliver the goods and install the building at the agreed date. The fact that T was subsequently willing to deliver the goods and install it within a reasonable timeframe was irrelevant
- He was never provided with a detailed design specification despite requesting this which was in breach of several consumer protection laws. Mr D says T also claimed that certain components were specially ordered for this contract which were non-refundable but also accepted that the design had not been fully complete. He felt the contract lacked certainty and T’s version of events were not logical.
- That there was a pattern of failure on the part of T from staffing issues, no clear product definition to missing deadlines. Mr D felt the traders own internal business issues were no excuse for not delivering in time.
- That T engaged Mr D in design change discussion and then used this as an excuse to not deliver the product in time.

- He felt T had engaged in unfair trade practices by taking a deposit before providing clear specification as well as refusing to refund after a valid cancellation.

As the complaint couldn't be resolved, the complaint has been passed to me to make 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.

Firstly, I'd like to reassure Mr D, that I have considered all his concerns carefully, but I will only be dealing with the most salient parts of this complaint in this decision as I'm required to decide matters quickly and with minimum formality.

Whenever a consumer makes a claim for money back from their bank, businesses like HSBC have two potential ways to retrieve money back for consumers. A claim under chargeback and a claim under section 75.

Chargeback

The VISA chargeback scheme allows for a refund to be requested where money was paid using a plastic card in certain scenarios, such as when goods or services are not delivered or not as described. The rules are very specific and detailed and usually there's little room for discretion – and they are simply applied to a case as they are.

HSBC chose not to pursue a claim for a refund under the VISA chargeback scheme. HSBC explained that as T was willing to provide the service, his claim did not have a reasonable prospect of success. Additionally, the chargeback scheme only enables HSBC to claim a refund on Mr D's behalf for the amounts charged to the card, which in this case was only £100.

Having checked the applicable rules, like our investigator, I don't think HSBC's response to the dispute was unreasonable under the scheme rules or that Mr D lost out as a result of anything that HSBC did/did not do.

Section 75 claim

It may be helpful to explain that I need to consider whether HSBC – as a provider of financial services – has acted fairly and reasonably in the way it handled Mr D's claim. Section 75 is a statutory protection that enables Mr D to make a 'like claim' against HSBC for breach of contract or misrepresentation by a supplier because he paid for the goods using a HSBC credit card. So, I need to consider whether, based on the available evidence, it was fair and reasonable for HSBC to respond to his claim in the way that it did, and if not, if there's grounds for me to uphold Mr D's complaint and order a remedy.

There are certain conditions that need to be met for section 75 to apply. From what I've seen, those conditions have been met, and HSBC doesn't appear to dispute this.

Mr D's claim is that T has breached the contract in multiple ways including a missed delivery date, failure to provide accurate design information, and carrying out activities that amount to unfair trade practices. So, I've mainly focussed on his claim for breach of contract.

In order to uphold Mr D's section 75 claim on the basis that there has been a breach of contract, Mr D would need to evidence that T breached a term of the contract (either express or implied) – and that caused him to suffer loss. The Consumer Rights Act 2015 (CRA) implies terms into the contract such as any services carried out must be carried out exercising reasonable care and skill. The CRA also sets out what remedies are available to consumers if statutory rights under a goods or services contract are not met.

I've looked at the evidence submitted to HSBC and this includes an order form dated 17 May 2025 which provides a breakdown of the costs, details of the service being offered including the size of the building, the colour, details about the windows, insulation and guttering for example. Although there is an expected date of installation which is 10 July 2025, it says in large font capital letters "*ALL INSTALLATION DATES ARE APPROXIMATE*".

Mr D also accepts that he was told by T that it would miss the estimated installation date of 10 July 2025 on 7 July 2025, but he did not cancel at this time and he also accepts that he was in ongoing discussions with T at this time about design amendments.

Mr D has also pointed out various behaviours of T that he found concerning such as T being pushy and loud during initial discussions (24 April 2025 according to Mr D's timeline) and that he asked for specifications of the building on 2 May 2025 which he says was ignored. But the order form is dated 17 May 2025, and it is after this that Mr D appeared to have paid the deposit and become bound by the contract. Mr D has also alleged that T used unacceptable language towards him after he asked for a refund. But much of Mr D's claims in relation to T's behaviour cannot be corroborated with any independent evidence and he appears to have instructed T in any event after some of this behaviour allegedly happened.

I wanted to assure Mr D that I've thought carefully about the provisions listed in his submissions including section 28 of the Consumer Rights Act 2015, as well as the provisions under the Consumer Contracts Regulations 2013. Mr D also mentioned unfair trade practices. But I'm still not persuaded that HSBC acted unfairly in this case and I'll explain why.

I don't think this contract guaranteed a specific delivery date and nothing on this order form suggests time was of the essence. Overall, I have to decide what I think is fair and reasonable in the circumstances of this case. Bearing all the above in mind, I don't think it was unreasonable for HSBC to conclude the evidence provided in this case isn't sufficient to conclude there is a breach of contract here that enables Mr D to end the contract and receive a full refund only 5 days after the estimated date of delivery.

I think it was fair for HSBC to consider that T was willing and able to deliver the goods and service within a reasonable timeframe and that Mr D didn't appear to dispute this when initially being notified of it. Additionally, some details of the goods and service information was given to Mr D and it's after this he agreed to the contract, and that some design specifics were still being finalised that Mr D accepts he was engaged in. If he wasn't happy with the design specifications, I would have expected him to ask for more details rather than pay the deposit and become bound by the contract. I understand that T had ordered some goods (and the delivery of those are somewhat outside the control of T), and the full deposit hadn't been paid by Mr D until the 25 June. I wouldn't normally expect merchants to order goods made specifically for a customer until a deposit had been paid so the contract was binding. I therefore don't think the stance it took was unreasonable.

Overall, I don't think that Mr D's chargeback claim had a reasonable prospect of success under the card scheme rules. I also don't think there's sufficient evidence that there's been a breach of contract. So, I don't think HSBC acted unfairly for declining this claim when it

issued its final response. While I am sorry to hear Mr D is unhappy, with section 75 in mind, I don't find there are grounds to direct HSBC to offer a remedy.

I should point out Mr D doesn't have to accept this decision. If he doesn't accept the decision, he and HSBC will not be bound by it. He may then be able to pursue the complaint against HSBC by more formal means such as through the courts.

Mr D has recently mentioned that he took T to court directly. It looks like this was done after HSBC issued its final response and I am mindful that as part of this decision, I can only review what HSBC did up until it issued its final response. And as I've said above, I don't think it acted unreasonably. I haven't been provided with the court papers so I don't know the ins and outs of what was decided in the court case against T. I appreciate Mr D believes it's not relevant to his claim against HSBC. But it's important to bear in mind that Mr D's claim against HSBC is a *like* claim against T. So, if he has already pursued a *like claim* against T, it may be that he has extinguished his section 75 rights against HSBC. As I am not upholding the complaint against HSBC, I don't need to delve into this any further. But if Mr D chooses to pursue HSBC separately, he may wish to get independent legal advice about the implications of any court cases against T that may have already been decided by a Court.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 6 May 2026.

Asma Begum

Ombudsman