

## The complaint

Mr H has complained that HSBC UK Bank Plc are responsible for his money back claim being unsuccessful due to them failing to provide him with appropriate advice and guidance about the chargeback process.

## What happened

The parties are familiar with the background details of this complaint – so, I'll only briefly summarise them here. It reflects my role of resolving disputes quickly with minimum formality.

In November 2024, Mr H ordered several high value electronic goods (totalling £21,793) from a retailer – who'll I'll refer to as R. Mr H paid using his Visa debit card. Mr H says R's courier delivered a single small parcel the following day. But upon opening the package he found it didn't contain the goods he'd ordered. So, Mr H contacted R that same evening to make them aware of the issue. Ultimately, R decided the ordered goods had been successfully delivered to Mr H – so they declined to send any replacement goods or provide any refund.

Unhappy with R's response, Mr H contacted HSBC to make them aware of the disputed transaction. To aid his claim Mr H provided HSBC with supporting evidence. This included:

- evidence to show Mr H had reported the matter to the Police.
- a copy of the video recording Mr H filmed of him opening the package – which shows it apparently contained foreign treats and magazines and not the ordered electrical goods.
- copies of some of the messages Mr H says he received from R. This included R initially saying they would send replacement products and there was no need for Mr H to send them the goods Mr H says he received – as these weren't products sold by R.

HSBC agreed to raise a chargeback using Visa dispute code 13.3 – not as described or defective merchandise or services. R defended the claim. But HSBC thought the evidence Mr H had provided remained persuasive. So, they proceeded to take the chargeback to the pre arbitration stage. R again defended the claim - with R maintaining the ordered goods had been successfully delivered to Mr H.

HSBC decided to take the chargeback to the final arbitration stage as they remained of the view there was a good chance VISA would rule in Mr H's favour. However, Visa made an arbitration ruling in favour of R. HSBC sent an email to Mr H, dated 15 April 2025, to confirm this. Among other things it stated Visa rejected the chargeback because, '*cardholder failed to meet all of the requirements of the attempted return*' and '*merchant supplied evidence showing package weight*'.

Unhappy with Visa's ruling, Mr H raised a complaint to HSBC about how they had handled and processed the chargeback, saying HSBC had failed to provide him with adequate guidance and support. HSBC responded to say they had processed the chargeback in accordance with the scheme rules and had done so correctly and in a timely manner.

Unhappy with HSBC's response, Mr H asked the Financial Ombudsman to consider the matter. Our Investigator didn't uphold the complaint. They agreed HSBC hadn't done anything wrong. Mr H didn't agree with our Investigator's findings. While Mr H accepts HSBC is unable to challenge the outcome and fairness of the arbitration ruling made by Visa, he believes Visa may have reached a differed outcome if:

- HSBC had explained to him in more detail how the chargeback scheme and rules work.
- HSBC hadn't relied so heavily on automated responses and processes.
- HSBC had advised that he should still send the goods he did receive back to R despite R saying he didn't need to.

As Mr H didn't agree with our Investigator's findings, the complaint has come 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.

A 'chargeback' is a way for a debit or credit card provider (HSBC) to reclaim money from the supplier's (R's) bank when a consumer (Mr H) doesn't get the goods or services they paid for. It isn't a legal right and there's no guarantee the card provider will be able to recover the money this way. It's a voluntary scheme and the process must follow the scheme rules. As Mr H's HSBC debit card was issued under the Visa brand, the Visa chargeback rules apply here.

The scheme rules are written by Visa – not HSBC. HSBC must follow the rules – which are strict, and time limits apply. The rules allow the supplier to either accept the dispute or provide evidence in defence of the chargeback. If an amicable conclusion can't be reached, it's Visa who decides the outcome of the dispute – not HSBC.

It's also important to remember HSBC doesn't have any control or influence over R. So, I'm unable to hold HSBC accountable for R declining to issue Mr H with a refund or send replacement goods. It's also not for me to decide on the actions taken by R. What I can consider here, is how HSBC processed the chargeback for Mr H and check if they've followed the rules correctly and in a timely manner.

I appreciate Mr H believes HSBC should have explained the relevant chargeback rules to him. But I'm conscious the rules and conditions are numerous and complex, and they can change over time. So, I'm not persuaded HSBC did anything wrong when not doing so. I'm also mindful there is lots of information about the rules available on the Internet.

Mr H has also queried why so many of the processes and responses are automated. This helps to ensure HSBC asks for the right information and the strict timescales are met. Overall, I think HSBC asked Mr H for the sort of things I'd have expected for the type of dispute he was raising.

Under chargeback code 13.3, it's generally expected that any received goods are returned to the supplier. But the dispute here is that Mr H says the goods he received from R were foreign food items and magazines and not the electrical goods he'd ordered. R said Mr H didn't need to send those goods to them.

Mr H has highlighted that HSBC informed him that one of the reasons Visa found in R's favour was because the '*cardholder failed to meet all of the requirements of the attempted return*'. I'm unable to say why Visa would have said this – it would have been helpful if Visa had provided more clarity about what they meant by this statement.

Mr H believes HSBC ought to have known that a requirement of code 13.3 is that the consumer sends back any received goods to the supplier. So, Mr H believes HSBC should have advised him to return the received goods to R, especially as HSBC didn't explain the relevant rules to him. Mr H thinks that had this happened, it's more likely that Visa would have ruled in his favour.

I appreciate why Mr H has said what he has. But my understanding is a reason code 13.3 dispute is also allowed if one of the following is true:

- 1) The merchant refused the returned merchandise
- 2) The merchant refused to provide a return label
- 3) The merchant told the cardholder not to return the merchandise

HSBC included in the chargeback submissions they sent to Visa a detailed summary of the events and the supporting evidence Mr H had provided. I think it's fair to say this information clearly showed Mr H had been willing to return the goods he says he received to R, but R informed him they didn't want them. As such, I don't think HSBC acted unfairly when not suggesting that Mr H still return those goods to R. And while I would have expected HSBC to provide as much assistance as possible to help secure a successful outcome for Mr H, I don't think it was for HSBC to coach Mr H on exactly what he should do.

I'm also mindful the non-return of the goods wasn't the only reason Visa gave for not finding in Mr H's favour. HSBC's email also referred to the evidence R had provided about the weight of the package. It seems Visa decided the ordered goods had been successfully delivered to Mr H.

HSBC certainly thought the available evidence meant there was a good chance Visa would find in Mr H's favour. This is why HSBC proceeded to both the pre-arbitration and final arbitration stages. Ultimately, Visa found in R's favour. As I've previously explained, this arbitration ruling isn't something that HSBC or the Financial Ombudsman can challenge – it's not for me to decide if that ruling was fair or reasonable.

HSBC took the chargeback as far as it could go, but unfortunately, Visa didn't rule in Mr H's favour. I appreciate Mr H has strong feelings about what's happened. This is understandable given what Mr H has paid for goods he says he hasn't received. However, for the reasons I've explained above, I'm satisfied HSBC correctly followed the scheme rules and processed the chargeback fairly and in a timely manner without any undue delays. So, I'm not going to direct HSBC to take any further action in relation to this complaint. Mr H remains free to pursue this matter through any other available means. If Mr H hasn't done so already, he may want to consider seeking help from Citizen Advice or independent legal advice.

### **My final decision**

My final decision is that I do not 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 9 February 2026.

Carl Bibby  
**Ombudsman**