

## **The complaint**

Mr C complains about a dispute he raised with HSBC UK Bank Plc (HSBC) in respect of a ladder purchased which was later recalled.

## **What happened**

On 24 September 2023, Mr C purchased a ladder from a private seller (the seller) through a third-party platform (E). The total amount spent was £102.52 and Mr C made payment using his HSBC debit card.

On 16 January 2025, Mr C received an email from C stating the ladder he had purchased had been recalled due to safety concerns. In February 2025, Mr C spoke to E who informed him that due to the time passed since he had made the purchase, it could not assist him with a refund. Mr C attempted to contact the seller in February 2025 and August 2025 but did not receive a response. He therefore contacted HSBC in August 2025 to raise a dispute.

Mr C initially brought the dispute under Section 75 of the Consumer Credit Act 1975 (Section 75). As he had made the payment by debit card, he was informed that a Section 75 claim could not be raised. Mr C then asked to raise a chargeback dispute and HSBC informed Mr C that as it had been more than 120 days since the transaction date, a chargeback dispute could not be raised either.

Mr C raised a complaint to HSBC. He said that he was only made aware that the goods were not fit for purpose on 16 January 2025 and so the time should start from then. HSBC reviewed Mr C's concerns and informed him it had handled his dispute fairly. HSBC confirmed it could only initiate a dispute if it was made within 120 days of the transaction date, or if Mr C had been negotiating a resolution with the retailer and those negotiations were still ongoing.

Unhappy with this, Mr C brought his concerns to our service. Our investigator reviewed matters and said that a chargeback dispute could only be brought within 120 days of the transaction date and had a long stop of 540 days in certain circumstances. As Mr C brought his dispute outside of the relevant time frame, HSBC had not treated him unfairly in declining to raise a dispute on his behalf.

Mr C asked for an ombudsman to consider his complaint. He said the time limits should not apply in a situation where a fault was discovered with the product purchased outside of the time limit window. Mr C said he did not think it fair for him to be left with a product that is unsafe and his bank is the only party who can assist him at this juncture. So, the complaint has now 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.

I would like to start by saying that I have provided a brief summary of the events that

occurred. I intend no discourtesy by this and can assure both parties that I have taken all the information provided into consideration when reaching a decision on this complaint.

In this decision, I'll concentrate my comments on what I think is relevant. If I don't comment on a specific point, it's not because I've failed to consider it, but because I don't think I need to comment in order to reach a fair and reasonable outcome. Our rules allow me to do this, and this reflects the nature of our service as a free and informal alternative to the courts.

Chargeback is a voluntary scheme under which settlement disputes are resolved between card issuers and merchants, under the relevant card scheme. A card issuer will review the claim against the possible reasons for a chargeback and look at whether it would be able to make a successful claim for the customer. Card issuers do not have to submit claims and usually will only do so, if it is likely to be successful. We don't expect them to raise a claim if there is little prospect of success.

In this particular case, Mr C used a Visa card to make the purchase, so it is the Visa card scheme rules that apply. The dispute condition that best fits the situation Mr C has described is *"not as described or defective merchandise/services"*. I have reviewed the time limits for this dispute condition, and they are as follows:

*"A Dispute must be processed within either:*

- *120 calendar days of either:*
  - *The Transaction Processing Date*
  - *The date the Cardholder received the merchandise or services (not to exceed 540 calendar days from the Transaction Processing Date)*
- *60 calendar days of the date the Issuer received the first Cardholder notification of the dispute, if both:*
  - *There is evidence in the notification of previous ongoing negotiations between the Cardholder and the merchant to resolve the dispute.*
  - *The negotiations occurred within 120 days of the Transaction Processing Date."*

Having reviewed the Visa rules, I can see that the information provided to Mr C by HSBC is correct. A dispute can only be raised within 120 days of the date the transaction was processed (in this case, within 120 days of 25 September 2023) or within 60 days of Mr C informing HSBC of the issue if there is evidence that the customer started negotiations with the retailer within the 120 days and this is still ongoing. Mr C brought his dispute in August 2025 which is well past any of the time limits outlined in the rules.

I understand Mr C feels that as he only found out about the issue at a later date, his time should start from then. Unfortunately, the card scheme rules are rigid, and this can mean that not all scenarios fall into them comfortably. HSBC correctly identified that the dispute was brought outside the card scheme time limits. As this means the dispute had a very low prospect of succeeding, HSBC was under no obligation to process the dispute. So, having considered all the information provided, I do not find that HSBC has treated Mr C unfairly in declining to raise the dispute on his behalf.

### **My final decision**

My final decision is that I do not uphold Mr C's complaint against HSBC UK Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 20 March 2026.

Vanisha Patel  
**Ombudsman**