

The complaint

Mr B has complained about how HSBC UK Bank Plc (HSBC) handled a refund claim he made.

What happened

The details of this complaint have been set out previously and aren't in dispute, so I won't repeat them again here. Instead I'll focus on giving the reasons for my 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.

I've read and considered the evidence submitted by the parties but won't comment on it all – only the matters I consider to be central to this complaint. This isn't intended as a discourtesy but reflects my role in resolving disputes informally.

It's important to note that HSBC aren't the provider of the services here – so in deciding what is fair and reasonable, I'm looking at their particular role as a provider of financial services. In doing so I note that because Mr B paid for this transaction using an HSBC credit card, both chargeback and a Section 75 (S75) Consumer Credit Act 1974 claim could possibly help him. So in deciding what is fair and reasonable I've focused on this.

Chargeback

Chargeback is the process by which settlement disputes are resolved between card issuers and merchants. A consumer isn't entitled to chargeback by right. But where there are grounds to raise one and it has reasonable grounds for success, it is good practice for one to be raised by the card issuer.

However, a chargeback isn't guaranteed to succeed and is governed by the limitations of the particular card scheme rules (in this case VISA). I've therefore considered what happened here and whether HSBC administered the claim correctly.

Mr B used his HSBC credit card to pay for legal services from a firm I shall call 'L' to the sum of £2,400. Mr B didn't consider the services were to the quality expected or were delivered as agreed. As the matter remained unresolved with L, he raised his refund claims with HSBC.

Regarding the chargeback claim, this was progressed to arbitration by HSBC. When a chargeback has progressed to arbitration and a final determination has been made by VISA, the dispute has already reached the final stage of the card scheme process.

Arbitration represents the scheme's final determination on liability between the parties. In these circumstances, I can't draw findings on matters that have already been determined by the card scheme. In this case, VISA concluded the merchant had provided the service as agreed and a refund offered by L of £500 was appropriate. This meant, under the card scheme rules, Mr B remained liable for the balance of the transaction.

As the chargeback claim reached the final stage of the scheme process, I'm unable to make a separate finding on the chargeback itself. However, I have considered whether HSBC administered the chargeback claim fairly, in line with the scheme rules. They progressed the dispute through each stage of the process and ultimately took it to arbitration, which is the final step available. Given that, I haven't seen anything to suggest they did anything wrong in how they handled the claim and I won't be asking them to do anything further.

S75

S75 provides that in certain circumstances the borrower under a credit agreement has an equal right to claim against the credit provider if there is either a breach of contract or misrepresentation by the supplier of goods and services.

To assess a valid claim, HSBC would've needed to consider all relevant evidence for the alleged breach of contract or misrepresentation. But for there to be a valid claim under S75 there are certain technical requirements and I'd need to be satisfied they have been met.

In this case however, I haven't seen evidence of a defined or clearly agreed contract for the legal services provided. Without evidence of such a contract, I'm not able to fairly assess whether there's been a breach of contract or misrepresentation for the purposes of S75.

This is because S75 doesn't create a free-standing right to a refund. Instead, it makes the credit provider jointly liable for any breach of contract or misrepresentation by the supplier. So there needs to be an identifiable contractual agreement setting out what the supplier agreed to provide against what performance can be assessed.

I've considered Mr B's point that no formal contract was signed, and the services were discussed informally, with some documentation Mr B says should've been provided not being sent. Having reviewed the available evidence, these appear as indicative discussions rather than evidence of clearly agreed contractual terms.

Without clear evidence of a defined contractual agreement, I don't have a proper basis to assess whether the service was misrepresented or provided other than as agreed for the purposes of S75.

In these circumstances, I'm not persuaded HSBC could be held liable for what's happened. In addition, I've insufficient evidence that HSBC handled Mr B's claim inappropriately under the circumstances.

Other issues

Mr B has also referred to differing advice given to him by HSBC on whether he should accept the £500 offer from L. HSBC's final response letter of 14 July 2025 explains that the reason Mr B was told not to accept the offer prior to the S75 claim was that it could impact the outcome. HSBC also didn't think there had been any other errors here.

HSBC would've been correct in stating that any previous settlement accepted would need to be considered when assessing a subsequent S75 claim. However, I appreciate this would've been confusing to Mr B, something that HSBC has accepted – and they have apologised for

this. I think that's appropriate to address this and I've insufficient evidence that there were any other administrative failings in the handling of these claims.

In summary, while I know this'll be frustrating to Mr B, I won't be asking HSBC to do anything more. I appreciate Mr B wants this service to reconsider VISA's arbitration outcome, however I'm not able to draw any further findings here as the card scheme has already provided their conclusions. To clarify, I'm only looking at HSBC's handling of the chargeback claim rather than VISA's ruling – and HSBC did progress the claim as far as they could to arbitration.

Likewise, the absence of clear evidence of agreed contractual terms does limit consideration of breach of contract or misrepresentation under S75 as there is insufficient evidence of the terms of service promised by L. Therefore I'm not able to say HSBC did anything wrong in declining Mr B's S75 claim.

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 B to accept or reject my decision before 3 March 2026.

Viral Patel
Ombudsman