

The complaint

C is unhappy with how HSBC UK Bank Plc (HSBC) handled a refund claim they made.

What happened

As all parties are familiar with this complaint, I'll only summarise the key background where necessary within my findings below.

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 C paid for this transaction using a HSBC debit card, a chargeback could possibly help them. So in deciding what is fair and reasonable I've focussed 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 considered the relevant chargeback rules in deciding whether HSBC acted fairly.

C has complained about training courses purchased by her HSBC debit card for £1,000, £439 and £860 respectively between June and July 2020 from a supplier I shall call 'M'. C said M went into liquidation in September 2022 and as the course materials prepared her for an exam to be taken in September 2027, she felt that she was entitled to a refund. The relevant chargeback code here would be 'Goods or Services Not Provided' as C said they went out of business. I've therefore considered the evidence available regarding this chargeback rule and whether HSBC acted fairly when they declined to progress C's claim.

Did HSBC act reasonably in declining the chargeback claim?

HSBC stated that the chargeback claims were brought out of time – I've therefore considered the relevant chargeback rules to determine if this is correct. These state that:

A dispute must be processed no later than either:

- *120 calendar days from the Transaction Processing Date*
- *120 calendar days from the last date that the Cardholder expected to receive the merchandise or services*

I've reviewed the correspondence between C and M – and M said that the twelve month access to the course would start when C chose to access the course materials. They also said an invoice would be re-issued to C in 2022 as they could choose to sit their exams by May 2027.

Therefore, the point of contention here is the application of the VISA chargeback rules and these state that the 120 days commence from when the cardholder is expected to receive the services. While C has said they would've only received the services when they chose to login to the course materials, I consider it more reasonable that the service commenced from the moment the course materials were available to be accessed by C.

These circumstances are rather unusual, but when considering the strict application of the VISA rules, the wording: '*expected to receive the service*' more closely aligns to when they would've expected to attain access to the service, rather than when they would've chosen to use that available service. As the latter doesn't involve any 'expectation' as the service is already available, I don't think it would be reasonable to say the time limits commenced then.

This means the 12 month access wouldn't have started when C chose to commence this (which could've then been anywhere between the seven year period between 2020 and 2027). It would've started from when the option was available to access the materials – and this started in 2020.

C only contacted HSBC to raise a chargeback claim in June 2025 which would've been far outside the 120 days required under the VISA chargeback rules.

I'll also briefly comment on the extended 540 calendar day time limit provided in the VISA rules – this is the maximum timeframe for a chargeback claim when a service is expected within that time. In this case I do consider, as stated, that the date the service was available to be accessed would be when the timeframe would start. And so this extended timeframe wouldn't apply.

With all of this in mind, I don't think HSBC acted unreasonably in declining to progress the chargeback claim as I don't think there was a reasonable prospect of success if it had been progressed further.

HSBC's customer service

C has also said that they weren't able to raise the chargeback claim with HSBC at an earlier date. HSBC has said however that they have no records of communication from C at all on this matter prior to June 2025.

I've seen a copy of a complaint letter dated 11 October 2022 from C, which they say they posted to HSBC relating to a prior phone call made on 4 October 2022 to raise these chargebacks. While HSBC have said they don't have a record of this letter being received, nor a record of the call referenced, these communications would've also been outside the 120 days required to raise the chargeback in any event.

As I've insufficient evidence to show HSBC were contacted in time regarding this chargeback claim, I can't say they need do more here. And as explained, and I know this'll

be disappointing to C, I can't agree that the chargeback would've succeeded in any event as I think it was brought out of time under VISA rules.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask C to accept or reject my decision before 15 January 2026.

Viral Patel
Ombudsman