

The complaint

Mr A's complaint is that HSBC UK Bank Plc didn't reasonably consider his dispute about a washer dryer machine.

What happened

Mr A purchased a washer dryer machine from a supplier (who I'll refer to as 'B' throughout this decision) in May 2021 using a credit card provided by HSBC.

Mr A says he first used the washing machine in May 2023 as he'd been waiting for building work within his property to be completed. Mr A says there were immediate problems with the machine from first use, with water leakage leading to damage to his flooring, and smoke and fire damage to the integrated door and beneath his kitchen worktops.

Mr A referred to B and the manufacturer of the washing machine, however, neither party were able to resolve his problem. Mr A had an appliance insurance policy with a company (who I'll refer to as 'C' throughout this decision), so he contacted it to resolve his dispute.

Across 2023 and 2024 C sent numerous engineers to inspect the machine and resolve the problem; however, as the problems couldn't be resolved Mr A referred his dispute to HSBC in September 2023.

HSBC reviewed his dispute under Section 75 (S75) of the Consumer Credit Act 1974 (CCA) and requested information, including an independent report, to support the claim. Mr A provided some information however this didn't include an independent report.

In February 2024 Mr A made HSBC aware of the ongoing effect this dispute was having on him and his family. HSBC paid Mr A £75 as a gesture of goodwill, and following this contact it appears to have repeated its request for an independent report to support the claim.

In June 2024 Mr A provided an independent report and further information to support his claim. At this time he made it aware the consequential losses of the claim were increasing due to higher material and labour costs.

HSBC issued its outcome in August 2024 in which it didn't uphold the claim. It said the evidence it had received didn't satisfy it that there had been a breach of contract, which therefore didn't make it liable to compensate Mr A under a S75 claim.

Unhappy with HSBC's response Mr A referred his complaint to our service for review.

One of our investigators considered the details and didn't uphold the complaint. Mr A disagreed, maintaining his arguments that HSBC should refund him under a S75 claim.

I recently issued a provisional decision where I set out, with reasons, my initial thoughts on this case and what I was intending to decide.

The below is an extract from my provisional decision:

"The information in this case is well known to Mr A and HSBC; and I've seen our investigator set out the S75 process and our service's approach to these cases within their view. So, I don't intend to repeat this information here.

I've focused my decision on what I consider to be the key points of this complaint. While I may not comment on each individual point made or piece of evidence provided, I'd like to assure both parties I've carefully considered all of the information available to me. I don't mean to be discourteous to Mr A or HSBC by taking this approach, but this simply reflects the informal nature of our service.

A chargeback claim

I've first considered whether HSBC ought reasonably to have considered Mr A's dispute through the chargeback scheme.

Chargeback is a voluntary scheme controlled by the card scheme operator (Mastercard in this case) to look to resolve some disputes between cardholders and merchants. There are specific criteria for a chargeback claim, and not all disputes will be able to be progressed or lead to customers' disputes being upheld.

I consider the relevant chargeback condition given the details of Mr A's dispute is 'Goods or services were either not as described or defective'.

One of the qualifying criteria for this dispute condition is that a chargeback claim on Mr A's behalf needed to be raised within 15 to 120 calendar days of the delivery of the goods or service.

Mr A raised his concerns with HSBC in September 2023, more than two years after he received delivery of the goods from B. While I acknowledge Mr A says the machine wasn't used until May 2023, the chargeback scheme rules are clear that the timeframe starts from delivery of the goods or service.

As such, I consider it reasonable that HSBC didn't raise a chargeback claim on Mr A's behalf as it didn't meet the qualifying criteria.

The S75 claim

Following Mr A's contact in September 2023 HSBC considered the dispute as a S75 claim.

Before considering the details of the claim, I've reviewed whether the details of this dispute meet the qualifying requirements of a S75 claim. Having done so, I consider they do.

I say this because goods must be purchased through certain forms of credit, and must have a cash price of more than £100 but no more than £30,000. Mr A purchased the washer dryer machine using a credit card provided by HSBC, which had an individual cash price of £429. There must also be a valid debtor, creditor, supplier (DCS) agreement in place; which there is between Mr A (debtor), HSBC (creditor), and B (supplier). So, the qualifying requirements of a S75 claim have been met.

I've therefore gone on to consider the details of the claim.

When HSBC requested information to support Mr A's claim, part of its request was for an independent report. Given the details involved in this claim, I don't consider that to have been unreasonable. I say this because, in summary, the Consumer Rights Act 2015 (CRA)

states if a fault is identified after six months of purchase, it is for a consumer to prove the fault was inherent at the point of sale.

While Mr A provided HSBC with much information to support his claim when it was made, he didn't provide it with an independent report. In fact, it wasn't until June 2024 that Mr A provided HSBC with an independent report, which had been conducted in late May 2024.

The independent report Mr A provided HSBC concluded that the machine had been mis-manufactured. Mr A did provide HSBC with a follow up email from the engineer which clarified it considered the machine to have been defective from the point of manufacture; therefore, indicating that the machine had an inherent fault at the point of sale.

However, the report also set out that the engineer considered some of the issues were likely caused by C's multiple engineer visits when looking to repair the machine.

While I do acknowledge the weight of evidence an independent report can carry in the details of a S75 claim; I can't consider it in isolation, and I must take into account all of the information and evidence available under the claim.

Mr A has told us that he's had up to 12 engineers sent by C across 2023 and 2024 to inspect the machine and look to repair it. I acknowledge that Mr A has provided us with screen shots of some of the engineer appointments, however he hasn't been able to provide any other documentary evidence from the engineer appointments, including any details of the engineer's inspections, recommendations or repairs needed and/or completed. However, he has said the engineers were unable to determine the cause of the issues, or rectify them.

As our investigator set out, an appliance insurance policy such as the one Mr A appears to have with C, is usually in place to provide repair or replacement. So, I consider it unusual that, after at least 12 engineer visits C doesn't appear to have resolved the issue through either of these steps – albeit I acknowledge I don't know the details of the policy Mr A had with C, given the complaint here isn't about this policy.

Mr A has said that at least some of C's engineers told him that the machine needed to be replaced, but these engineers suggested C wouldn't agree to this outcome. While I don't doubt the testimony Mr A has provided, as I've set out he hasn't been able to provide any documentary evidence to support this.

So, I find I can't reasonably conclude that any of the engineers C sent to inspect the machine considered there to be an inherent fault; or that the machine needed to be replaced through the insurance policy.

I consider it reasonable for HSBC to have also considered this position and place reasonable weight on C's findings (or lack of documented findings) as part of its consideration of Mr A's S75 claim.

I also note that Mr A has said the machine wasn't used for around two years after purchase due to ongoing renovation works at his property, which were in part delayed by the COVID pandemic. I acknowledge Mr A has said during this time that the machine was kept in the property and wasn't moved. However, I consider the machine must have been moved, at least to some extent when the kitchen was being renovated, given Mr A has said the renovation was for the full property.

I find I can't discount that this movement, or the installation of the machine, may not have at least in part contributed to the problems stated in the independent report, especially given that it refers to parts being out of alignment and problems likely caused by 'excess vibration'.

I have very carefully considered all of the evidence available to me. I acknowledge the independent report from May 2024 – three years after delivery of the machine – states there is an inherent fault. But I must review the full situation and evidence in the case; and I consider it's reasonable for me to put significant weight on the multiple engineer visits Mr A had from C. Based on a lack of documentary evidence confirming otherwise, C doesn't appear to have concluded the problems with the machine were as a result of an inherent fault, especially given the machine wasn't replaced through the policy. I also find I can't discount that some of the problems identified within the independent report weren't potentially, at least in part, caused by C's engineer visits.

So, taking all of the above into account I'm not persuaded it was more likely than not that there was an inherent fault with the manufacturing of the machine at the point of purchase. And for this reason, I don't currently consider HSBC reached an unreasonable outcome when declining Mr A's S75 claim.

Given I'm not intending to direct HSBC to take any further action in relation to its outcome of Mr A's S75 claim, it follows that I don't consider HSBC is liable for any consequential losses.

The handling of Mr A's dispute and complaint

I've also considered HSBC's handling of Mr A's complaint. Mr A has said the ongoing dispute and complaint with both B and HSBC has caused considerable distress and inconvenience to him and his family. I acknowledge Mr A's testimony here and don't doubt the impact of this situation; however, my review here can only consider HSBC's actions.

While I consider this was a drawn out claim process across a longer period of time than I would usually consider to be reasonable; I am mindful that this was in part due to the time for Mr A to provide HSBC with an independent report, which I'm satisfied was reasonably requested to support its consideration of the S75 claim.

I've seen that once the independent report was provided to HSBC in June 2024 that it requested a further report, however it has acknowledged that this was done so in error. I acknowledge this would have been frustrating for Mr A, and did cause a short delay in it providing its outcome to the claim. However, I consider HSBC's outcome was ultimately provided within a reasonable period of time of it receiving the independent report, and the follow up email from the company that provided the report clarifying its findings.

I do note that when Mr A contacted HSBC in February 2024 that it looked into the timescales of the claim as part of a complaint, and it paid Mr A £75 as a gesture of goodwill to help towards laundrette costs.

Overall, I currently consider HSBC's handling of Mr A's S75 claim was conducted reasonably, and I'm therefore not minded to direct it to make a further award.

I acknowledge my decision will be disappointing to Mr A. I am sorry to hear of the impact this problem has had on him and his family, both from a health and financial point of view. I would set out that my decision here in no way intends to downplay the impact this issue and the ongoing dispute process has had on him and his family. But my role here is to determine whether HSBC, as the creditor in this agreement, acted reasonably when considering the evidence presented in this claim and reaching its decision, based on the obligations on it under S75 of the CCA. And for the reasons I've set out, I currently consider HSBC's decision not to uphold Mr A's S75 claim was reasonable."

Neither party responded to my provisional decision; nor did Mr A respond to further

correspondence from our investigator within the time limit I set out.

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.

As neither party has provided any new information or evidence for me to consider in response to my provisional decision, it follows that I see no reason to depart from the findings set out within in.

So, for the reasons set out within my provisional decision, I consider HSBC reasonably declined Mr A's S75 claim; and acted reasonably in its handling of his claim and complaint.

It therefore follows I'm not directing HSBC to take any further action in resolution of Mr A's complaint.

My final decision

My final decision is that I don't uphold Mr A's complaint about HSBC UK Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 29 December 2025.

Richard Turner
Ombudsman