

The complaint

Mr S complained about the way HSBC UK Bank Plc dealt with a claim for a refund for flights he bought using his credit card.

What happened

The parties are familiar with the background of this complaint, so I will summarise it briefly here. In January 2025, Mr S booked return economy flights for him and his parents using his HSBC credit card with an airline I'll call E. The flights were to take place in March 2025. He subsequently paid for another outbound flight ticket for the same date for his sister using his credit card and he paid for her to be upgraded to business class. Mr S also said he paid E for seat allocations for himself and his parents when he got to the airport.

Mr S complained to E and made a number of complaint points:

- He said he was told there were no business class seats before departure, and this caused anxiety and frustration. However, when he boarded the flights he saw business class seats were empty.
- He said he contacted E a few days prior to arrange allocated seating near the front of the airplane, but this wasn't arranged and he had to pay for allocated seats at check in.
- Mr S paid and was successful for a bid to upgrade to business class for his sister but this was delayed and she was given an economy seat at first but was eventually given the correct seat class for the second leg of the journey.
- There was a flight delay for the first part of the outbound flight from the UK and this caused a small window to meet the second part of the outbound flight and no medical assistance was provided, and the passengers couldn't use the airport amenities and were caused stress.
- The delay caused worry about the transfer of luggage between the first part of the outbound flight and the second part, and no reassurances were given by airline staff.
- There were unclean seat belts on the first part of the outbound flight.
- Before the second leg of the outbound flight due to the delay, Mr S' sister was unable to use the business class lounge.
- One of Mr S' parents cabin luggage was tagged to be checked in as hold luggage, but he needed his medication which he packed in the cabin luggage, and this caused worry.
- The pre-selected meals requested weren't available.
- There was restricted use of bathroom facilities, which made it difficult for Mr S' parents as they had medical conditions.
- The entertainment systems on some of the flights didn't work and on one flight passengers were told to use their mobile phones to access inflight entertainment.
- Ms S experienced internet connectivity issues.

E acknowledged some of the issues Mr S raised and apologised. However, Mr S said he wanted a refund. E responded to Mr S and said that the delay caused on the first leg of the outbound flight from the UK was as a result of circumstances beyond its control therefore he

wasn't eligible for compensation. It explained what to do for meal selection, and if the entertainment services weren't working on a flight. It said that Mr S was provided the seats he paid for and it couldn't guarantee seat selection. It also explained why baggage may be required to be checked in but didn't say it would refund Mr S.

Mr S then raised a dispute with HSBC in April 2025. HSBC didn't agree to raise a chargeback as it said that the services were utilised.

Mr S wanted to raise a claim under Section 75 of the Consumer Credit Act 1974 (Section 75). In May 2025, HSBC informed Mr S that it didn't consider there was a breach of contract or misrepresentation. It addressed Mr S' claims about seat allocation and meals and said it didn't think the remaining complaints were covered by Section 75.

HSBC responded to Mr S' complaint and reiterated it wouldn't pursue his claim.

Mr S remained unhappy and referred his complaint to the Financial Ombudsman. He didn't think HSBC addressed the points he detailed explaining why there was a misrepresentation and it didn't consider the points he raised about a breach of contract properly. Our investigator considered the complaint and didn't think HSBC acted unfairly by declining to raise a chargeback dispute. She also didn't consider that there was a breach of contract or misrepresentation that HSBC could be held liable for.

Mr S didn't agree and said that his sister didn't use the business lounge so didn't receive the services paid for and HSBC didn't address all points in his Section 75 claim.

As the matter remains unresolved it has 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.

Whilst I've read and considered everything, if I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. This is not meant as a discourtesy but rather reflects my role of resolving disputes with minimum formality. Our powers allow me to do this.

In this decision, I'm considering whether HSBC - as a provider of financial services - has acted fairly and reasonably in the way it handled Mr S' request for getting his money back. It's important to note HSBC isn't the supplier. I have gone on to consider the specific card protections available in these circumstances. In situations such as this, HSBC can consider assessing a claim under Section 75 or raising a chargeback.

Where evidence is incomplete I reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence and wider circumstances.

Section 75

Under Section 75, HSBC is jointly liable for any breaches of contract or misrepresentations made by the supplier of goods or services – which is E in this case. In order for there to be a valid claim under Section 75, there needed to be a debtor-creditor-supplier ('DCS') agreement in place and the transaction needs to be within certain financial limits.

Mr S bought flight tickets for himself and his family members. It seems like Mr S booked and paid for the tickets for him and his parents but then bought a ticket and upgrade for his sister later. Having multiple parties involved can impact the necessary conditions for a valid claim to be considered under Section 75. On balance, it's likely there is a DCS agreement for the tickets and seat selection Mr S bought for himself and his parents, because the terms and conditions on the website states:

"You can make an online booking for up to 9 guest's at one time on [E's] websites, including adult and child (2 - 11 years old) guests".

I think the DCS agreement may be complicated for the ticket and upgrade he bought for his sister as these were separate transactions and was separate to the ticket Mr S bought for himself. It's not straight-forward. However, I don't believe it is necessary to explore the requirements to meet the criteria any further, as it does not influence my overall decision. This is because I have not found sufficient evidence to conclude that E breached its contract or made a misrepresentation. I'll explain why.

In order to uphold Mr S' Section 75 claim on the basis that there had been a breach of contract or misrepresentation, Mr S would need to demonstrate that E either made a false statement of fact, or failed to comply with a contractual term, and this resulted in a loss. This would require evidence of a breach of contract of an express term of the contract or an implied term. Under the Consumer Rights Act 2015 (CRA), certain terms are implied into contract for services, including the requirement that services be provided with reasonable care and skill. The CRA also sets out what remedies are available to consumers if statutory rights under a services contract are not met.

I've noted Mr S complained to E after he had returned on the inbound flight from his destination. From the complaint and the dispute raised I can't see evidence beyond his testimony of the issues Mr S said he experienced. Additionally, it's not clear how Mr S paid for additional seating based on the transactions on the dispute form. He said that he had a call recording about the arrangement of seat assignment, but this hasn't been provided. I've therefore based my findings on the available information.

I think there are a number of complications here for me to be certain that a misrepresentation occurred. Whilst Mr S has claimed a misrepresentation occurred, I need to be satisfied that E made a false statement of fact which induced Mr S into the contract. So this would need to be about something which happened before the contract was entered into – I think if it relates to E's action after, this is most likely related to customer service issues or services not meeting Mr S' expectation rather than a misrepresentation. I also think as Mr S used the services this could impact what he could fairly claim for. Mr S has said that he was told verbally there were no business class seats available and this caused anxiety when he later observed empty business class seats on boarding. While I appreciate this may have been upsetting, and although I haven't seen evidence Mr S was informed of this, I don't consider this would amount to a misrepresentation for the purposes of Section 75. Airline seat availability can change for a range of operational reasons including last minute upgrades and no shows or changes to flight dates.

While I know Mr S would have also been disappointed when he said he was told that the seats could be allocated for free under special or medical assistance, I think this is a request which could be made rather than a contractual obligation.

Based on what I've seen, I also think there's insufficient evidence that the airline made a false statement of fact that was intended to induce Mr S to make his purchase, or that any assurances about the availability of business class seat or special assistance availability formed a contractual promise.

Similarly, Mr S' concerns about meal selection, in-flight entertainment or cleanliness relate to the quality of service delivered rather than to any incorrect statement of fact made at the point of sale. On balance I'm not persuaded that this amounts to a misrepresentation.

Breach of contract

I've also considered whether E breached its contract with Mr S, which HSBC could be held liable for.

While I acknowledge that this wasn't the experience Mr S expected, I've noted the contract for carriage was ultimately performed. Issues such as delays, missed lounge access due to the delay, seating preferences, luggage handling concerns and unavailable meals are matters typically governed by the airline conditions of carriage and operational discretion. Although I've not seen evidence of the points of complaints Mr S made, I've noted E's terms and conditions state:

"12.1.3 We do not make any guarantees about the availability of in-flight entertainment, advertised duty free products, and other services, including choice of meal option or the availability of special meals. Special meals when provided may not exactly conform to the description provided by us. We do not accept requests for nut free meals or guarantee that the aircraft cabin will be a nut free environment."

I acknowledge that Mr S has referred to being promised free seat allocation under medical assistance. I note Mr S said he then had to pay to guarantee seat allocation separately, although I haven't been provided evidence of this. While I can appreciate Mr S would have been disappointed to know he initially hadn't been assigned seats at the front of the aircraft when requested, I haven't seen anything to say this was guaranteed and was set out in his contract with E.

I understand the delay with one of the outbound flights caused Mr S and the other passengers worry and stress. I appreciate Mr S said that medical assistance wasn't provided when Mr S and the other passengers arrived for the connecting flight. I can see that E states on its website it *"recognizes the importance of ensuring that transportation services to and from our airports are fully accessible to the extent possible."* And I can see that Mr S requested wheelchair assistance and I'm sorry to hear there were issues when reaching the connecting flight. However, I think this is also another request which E said that it would try to provide to the extent it was possible. So again, I don't think HSBC was unreasonable in finding this didn't amount to a breach of contract.

I've also thought about issues that Mr S described like his sister not having access to the business class lounge, however it seems to be this was as a result of the delay – which was as a result of exceptional circumstances - rather than being denied access to the lounge. Also, I've considered things like access to the bathroom on the flight and confusion about checking in a cabin luggage and cleanliness of the seat belts and access to inflight entertainment and internet connectivity, but I think these are more customer service issues rather than what I would consider a breach of contract.

As explained above, HSBC is only liable to offer a remedy if Mr S can establish with evidence that there has been a breach of contract or misrepresentation on the part of E, that due to Section 75 it is now liable to remedy. It's not liable to offer a remedy for poor customer service, not meeting a customer's expectations or for failings outside of its contractual obligations. So that is to say, it's possible that E may have provided poor service at times, however that doesn't automatically mean HSBC is liable to provide a refund, partially or in full. Rather HSBC is only liable if a misrepresentation or breach of contract can be demonstrated and for the reasons I've explained I don't think it has.

I appreciate Mr S said he was unhappy with the way HSBC responded to the Section 75 claim, however I think as there is insufficient evidence and the nature of the issues Mr S raised, I don't think its response was unfair. I also think that it considered the claim within a reasonable period and I don't think it's fair to ask it to pay Mr S compensation.

Chargeback

In certain circumstances a card issuer is able to raise a chargeback dispute under the relevant scheme rules. This is where the cardholder has a dispute with the merchant, but this is subject to strict rules and there is no guarantee that the card issuer will be able to recover the disputed amount.

In this case HSBC declined to raise a chargeback. It said this is because the services for the flights were used. Mr S said that HSBC should have pursued the chargeback on the basis that his sister was unable to use the lounge access because of the delayed flight. I understand Mr S paid for an upgrade to business class which included lounge access. However, I think without sufficient evidence this service wasn't utilised or the terms state that Mr S was due a refund for not being able to use the lounge as a result of the delay, I don't think HSBC should have pursued the chargeback and I don't think it was unfair for it not to have raised a chargeback on the basis that the flights were utilised.

Therefore, while I sympathise, for the reasons given above, I don't find I have the grounds to direct HSBC to pay Mr S any refund or pay compensation. I don't require it to take any further action.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 26 February 2026.

Amina Rashid
Ombudsman