

## **The complaint**

Ms S complains that HSBC UK Bank Plc (HSBC) has treated her unfairly in relation to a payment she made using her debit card to purchase a mirror.

Having reviewed all the information provided, I am not upholding Ms S's complaint against HSBC. I have explained why in more detail below.

## **What happened**

In May 2025, Ms S purchased a mirror online from a merchant, who I'll call Q. The mirror cost £350.93 and Ms S paid for the item using her HSBC debit card.

Ms S says she expected the delivery to take place around six days after she placed the order, but it did not arrive. She contacted Q to find out what had happened with the delivery but did not receive a response, so Ms S contacted HSBC to raise a dispute.

HSBC reviewed Ms S's concerns and raised a chargeback dispute under the reason code "*merchandise/services not received*". The dispute was defended by Q who provided evidence to HSBC that the item had been delivered to Ms S in early June 2025. HSBC provided this evidence to Ms S by email and asked for a response so it could consider whether it needed to take the matter further. As Ms S did not respond, the dispute was closed.

Ms S complained to HSBC that she had received the item, but it was not what she had ordered and so she wished the dispute to continue. She was also unhappy that the credit made to her account for the dispute amount had been reversed. HSBC reviewed Ms S's concerns and said the card scheme rules do not allow for a dispute to be raised a second time for the same transaction so it could not assist any further. It did, however, offer Ms S £100 to apologise for not having informed her before reversing the credit to her account.

## **Investigator's outcome**

Ms S brought her complaint to our service. Our investigator reviewed matters and found that HSBC had treated Ms S fairly. He said Ms S has been informed that if HSBC needed more information it would revert to her and when HSBC contacted her about the merchant defence, she did not let it know that the mirror had now been received but it was not as described. He therefore found HSBC had closed the dispute fairly and the rules do not allow for a second dispute to be raised. Our investigator said HSBC had offered £100 for failing to let Ms S know it would reverse the credit to her account and this was fair, so he did not recommend HSBC need do anything further.

Unhappy with this outcome, Ms S asked for an ombudsman to consider her complaint. Ms S acknowledged that a dispute cannot be raised twice for the same transaction but said HSBC should have taken better steps to contact her whilst the dispute was still ongoing so the dispute reason could be changed. Ms S provided evidence to support her claims that Q may be acting somewhat fraudulently and said if HSBC had looked into matters further it would have known this. 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.

I also think it's worth clarifying that I'm deciding whether HSBC acted fairly in assisting Ms S with her dispute against Q. I'm not making a finding on the underlying dispute Ms S has with Q.

### Chargeback

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, based on the information provided by Ms S at the time the dispute was raised, I find that HSBC correctly decided to raise a dispute and did so under the correct reason code.

I've reviewed the defence information provided by Q and see no reason why HSBC would have cause to doubt that the item had been delivered to Ms S after having received the defence. At this point, as the dispute was brought because the item had not been received, the prospects of it succeeding were very low and HSBC was not obligated to continue with the dispute. I appreciate Ms S thinks HSBC should have done more research into the type of company Q is, but I do not find this to have been necessary considering the dispute was about whether or not the mirror ordered had been received.

Despite the dispute now having low prospects of success, HSBC contacted Ms S by email to show her Q's defence and ask for any further information/evidence she wished to supply. I can see evidence that the email was viewed by Ms S, although I appreciate, she says she has a preview function which might make it seem like she has seen it when she hasn't. No response was received by the deadline provided by HSBC and so it decided to close the dispute and not take it any further. This was reasonable action to take as Ms S had not supplied any further information which would require HSBC to consider whether it needed to pursue the dispute further.

I understand Ms S feels that regulator rules have been breached by HSBC only sending an email and not following this up with her. Having considered Ms S's concerns, I'm afraid I don't agree. Ms S had previously been informed she would be contacted if HSBC needed further information about the claim and email was a reasonable way for HSBC to communicate with her. HSBC provided clear correspondence with a clear deadline, and I do not find HSBC was required to follow this up or utilise a different form of communication to obtain a response. I therefore find HSBC did enough and it was reasonable for it to close the

dispute at this point.

Ms S then informed HSBC that the mirror had been received and it was not as described. By this time, it was too late to change the basis of the dispute already raised as it had been closed. In addition, the card scheme rules prevent a card issuer from raising a dispute about the same transaction twice. So, I find that HSBC's decision to refuse to raise a second claim was reasonable.

#### Distress and inconvenience

I can see HSBC has paid Ms S £100 for its failure to send her communication informing her it would be reversing the credit to her account. Ms S has asked for further compensation however I see no failures in service which make me think that Ms S should be paid any more for distress and inconvenience caused during the handling of this claim. I appreciate this outcome will be disappointing for Ms S but having taken all the information available into account, I do find that her dispute was handled in a fair and reasonable manner by HSBC.

#### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 13 March 2026.

Vanisha Patel  
**Ombudsman**