

### **The complaint**

Mr S has complained about how HSBC UK Bank Plc (HSBC) handled a refund claim he 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 courtesy 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 S paid for this transaction using a HSBC debit card, a chargeback claim could possibly help him. So in deciding what is fair and reasonable I've focused on this.

Mr S used his HSBC debit card to pay for storage with a supplier I shall call 'D' between February and June 2025 with five monthly payments of £459.12. However, he later realised that there were issues with accessibility of the storage due to his health conditions and this was different than what had been promised. He says this meant he couldn't access medical equipment as he was unable to open the storage locking mechanism.

Mr S therefore raised a chargeback claim to attain a refund for these payments as he felt the services were not as described.

## **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.

The relevant chargeback code here would be 'Not as Described or Defective Merchandise/Services'. I've therefore considered the evidence available regarding this chargeback rule and whether HSBC acted fairly when they declined to progress Mr S's claim.

### *Did HSBC act reasonably in declining the chargeback claim?*

From the outset, I have to mention that chargeback claims are generally best suited for clearly defined transactional disputes due to the very nature of the card issuer rules and the fact they are stringent in their application. This means that chargeback is likely to have been unsuitable to Mr S's claim here as it is regarding one aspect of a service (accessibility), which has already been rendered for the time paid.

To clarify further, the VISA chargeback rules clearly state that the dispute amount is restricted to 'the unused portion of the cancelled service'. In addition the rules also state that 'Before the Issuer may initiate a Dispute, the Cardholder must return or attempt to return the merchandise or cancel the services.

I don't think either of these conditions have been met in Mr S's claim – while I appreciate he considers the accessibility issues to be significant, I'm satisfied that the storage service itself – namely the safekeeping of the items – was provided during the period in question.

I appreciate Mr S has said that he didn't cancel the service as he felt that he would lose the items in storage. While I do empathise with Mr S, he would've needed to discuss with D in the first instance in terms of accessing the storage, and in turn arranging for the items to be moved elsewhere when cancelling the service.

Even if Mr S had done this and then raised a chargeback, I don't think there was a reasonable prospect of a successful claim here if it had been progressed by HSBC. I say this as the storage service itself had been provided and it would've then been difficult to attribute a proportion of this to the accessibility of the items.

Ultimately and as mentioned, chargeback claims are not best suited to situations such as this and so I don't think HSBC did anything wrong in determining that the claim couldn't be taken further here with a reasonable prospect of success.

I know this'll be disappointing to Mr S but I won't be asking HSBC to do anything further here.

## **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 S to accept or

reject my decision before 2 February 2026.

Viral Patel  
**Ombudsman**