

The complaint

Mr S has complained about how HSBC UK Bank Plc (HSBC) handled a refund claim he made to them.

What happened

The details of this complaint have been set out previously and aren't in dispute, so I won't repeat them again here. Instead I'll focus on giving the reasons for my decision.

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 Mr S paid for this transaction using a HSBC credit card, both chargeback and a S75 claim could possibly help him. So in deciding what is fair and reasonable I've focused 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 Mastercard). I've considered the relevant chargeback rules in deciding whether HSBC acted fairly.

Mr S has complained about the quality of his cruise booked for 10 February 2024 to 2 March 2024 from a supplier I shall call 'Q' using his HSBC credit card. The invoice total cost is shown to be £23,790.00 of which £17,842.50 was paid using his credit card.

The relevant chargeback code here would be 'Goods or Services Were Either not as Described or Defective'. I've therefore considered the evidence available with regard to this chargeback rule and whether HSBC acted fairly when they declined Mr S's claim following the merchant's objection.

The chargeback rules state that for claims relating to the level of quality or misrepresentation, there would need to be sufficient documentary evidence that supported the dispute when the merchant challenges its validity.

Q said that Mr S travelled on the cruise and that they had provided the promised service. HSBC had no further evidence beyond Mr S's account, to counter the merchant's submissions or to show the service fell below the required standard. In those circumstances, they decided not to progress the chargeback as they didn't think there was a reasonable prospect of success.

I'm satisfied HSBC acted fairly here as the chargeback rules do make it clear there needs to be sufficient evidence to support the dispute regarding the level of quality of the service. While Mr S did provide detailed comments about his experience, there wasn't independent or documentary evidence to show the service fell below the required standard.

I therefore don't consider there was sufficient evidence for a reasonable prospect of success if the chargeback claim had been progressed further.

S75

S75 provides that in certain circumstances the borrower under a credit agreement has an equal right to claim against the credit provider if there is either a breach of contract or misrepresentation by the supplier of goods and services.

To assess a valid claim, HSBC would've needed to consider all relevant evidence for the alleged breach of contract or misrepresentation. But for there to be a valid claim under S75 there are certain technical requirements and I'm satisfied they've been met here.

I recognise how disappointing it would've been for Mr S to feel that a holiday of this value didn't meet his expectations. Mr S has raised several concerns about the quality of his cruise and while I won't list them all here, these cover biosecurity concerns, the general planning and organisation on board the cruise and in addition the staff conduct when his concerns were raised.

Because Q's terms and conditions don't address these matters. I've considered the Consumer Rights Act 2015 and in particular section 49 (S49) which states that every contract to supply a service is to be treated as including a term that the trader must perform the service with reasonable care and skill.

I appreciate Mr S doesn't agree that the service met the required standard. However, beyond his account, there isn't independent evidence to show the service fell below what would reasonably be expected under S49.

I know Mr S has gone into substantial detail on his experiences abroad the cruise and why he considers various aspects were subpar. However I can't say that his testimony alone would be sufficient to say that HSBC needed to uphold his claim.

I appreciate that Mr S would've been limited in the evidence he could've provided here due to the nature of the complaint, but nonetheless, issues of cleanliness, as an example, would usually need to be supported by independent evidence, such as photographs, which hasn't been provided here.

I understand that, given the nature of a cruise, it can be difficult to gather detailed evidence, while travelling, and I've taken that into account. But even allowing for that, there still isn't enough independent evidence to show the service fell below the standard required.

In summary, I can't say there is sufficient evidence to say Q breached their contract to Mr S and therefore HSBC should've reached a different outcome when considering the S75 claim.

In addition I must comment on the matter of misrepresentation briefly. For a successful misrepresentation claim, there would need to be sufficient evidence of a false statement of fact that induced Mr S to enter the contract. While I appreciate Mr S could say that the quality of the cruise promised was a false statement here, as there is limited supporting evidence to show this to be the case, I can't agree there is enough to say the cruise was misrepresented to him.

I know there are some additional complaint points regarding the claim and I've addressed them below:

- HSBC in their final response letter of 17 September 2024 addressed an issue with the balance on Mr S's credit card and that application of a temporary credit during the claim process meant he lost a 0% interest promotion once this was re-debited. HSBC refunded the interest applied as a gesture of goodwill and moved the balance to a nine month interest free plan. I do think this resolution was appropriate for what had happened here.
- There have been some concerns raised about HSBC's wider claims-handling processes, including the use of an old contact number and the file format required for submissions. HSBC offered £100.00 to address the contact issue, which I think is reasonable. Beyond that, I'm not able to make wider findings about how they design or operate their general claims-handling processes.

In summary, while I acknowledge Mr S believes he's due a partial refund, I don't think HSBC acted unfairly in not progressing his claims further based on the available evidence.

My final decision

For the reasons stated 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 17 February 2026.

Viral Patel
Ombudsman