

The complaint

Mr P has complained about the way HSBC UK Bank Plc responded to a claim he'd made under section 75 of the Consumer Credit Act 1974 ("the CCA").

What happened

The circumstances of the complaint are well known to the parties so I won't go over everything again in detail. But, to summarise, in March 2019 Mr P paid to have spray foam insulation installed in his home from a company I'll call "S". HSBC said Mr P paid around £3,700 to S using his HSBC credit card in March 2019. Mr P has provided a contract with S saying the total contract price was around £4,600. Mr P said more recently he found out spray foam insulation could be damaging the roof. He's provided an invoice showing he paid around £6,800 to have the spray foam insulation removed by another company in June 2025.

HSBC said it received a section 75 claim from Mr P in August 2025. It declined the claim because the purchase was made more than six years prior to Mr P raising the claim, so it thought the claim had been brought out of time. Mr P complained about how HSBC handled things, and it sent a final response saying it thought it handled the claim fairly. Mr P decided to refer his complaint to the Financial Ombudsman.

One of our investigators looked into things but thought HSBC's answer was broadly fair. Mr P didn't agree. He said the time limit shouldn't start running until 2024 when a government department made a conclusion that spray foam was high risk in certain instances. He said it can't be fair to rely on a 2019 start date for the time limits when he wasn't and couldn't have been aware of the issue until more recently. He didn't think HSBC supported him and thought it handled the situation unfairly to deter him from pursuing the claim.

As things weren't resolved, the complaint 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.

My findings on jurisdiction

The event complained of here is HSBC's alleged wrongful rejection of Mr P's s.75 claim in August 2025. This relates to a regulated activity under our compulsory jurisdiction. Mr P brought his complaint about this to the ombudsman service in September 2025. So, his complaint in relation to the section 75 claim was brought in time for the purposes of our jurisdiction.

Merits

Creditors have no means of knowing what section 75 liabilities they might have, nor of investigating such liabilities nor of recovering them from suppliers, unless or until debtors raise section 75 claims against them. If a debtor raises a valid claim, it brings the creditor under a duty to honour its liability.

But it would not be fair or reasonable to require a creditor to respond to section 75 claims however long in the past they arose. Our service must decide complaints on the basis of what is fair and reasonable in all the circumstances of a case.

The Limitation Act 1980 ("the LA") imposes a six-year limitation period on relevant claims, after which they become time barred. Taking into account this time period, the particular nature of liability under section 75, and the need for the debtor to raise a section 75 claim against their creditor before a cause for complaint to our service can arise, I consider it fair and reasonable for a creditor not to have to look into or honour a section 75 claim that was first raised with it by the debtor after the claim had become time barred under the LA. This is in line with our service's longstanding approach to complaints under section 75.

HSBC has said Mr P's section 75 claim was brought outside the relevant six-year limitation period under the LA.

Section 75 is a statutory protection that enables Mr P to make a like claim against HSBC for breach of contract or misrepresentation by a supplier paid by credit card in respect of an agreement it had with him for the provision of goods or services.

On the face of it, I don't think Mr P has alleged S made a misrepresentation. A misrepresentation would require a false statement of fact that induced Mr P into the contract. While I don't know exactly what was discussed between Mr P and S, I have to bear in mind that it would be hard to conclude S made a false statement in 2019 about something it couldn't have been aware was potentially false until at least 2024 – when Mr P said the government report was carried out.

The alleged breach of contract isn't defined but I take it to be S installed spray foam insulation that wasn't appropriate. As such, the alleged breach of contract occurred around March 2019.

The section 75 claim wasn't raised with HSBC until August 2025, that is more than six years after the cause of action against S for breach of contract would have accrued for the purposes of the LA around March 2019. I appreciate Mr P quite understandably may not have known there was a potential problem until more recently. So I've considered whether that ought to change anything.

There are some scenarios where the time limit under the LA can be extended. Section 14A of the LA sets out a special time limit for negligence actions where facts relevant to the cause of action aren't known at the date of accrual. Claims against the creditor for breach of contract won't involve claims for damages for negligence and so I don't think section 14A would apply for a breach of contract claim under section 75. I appreciate this may seem overly technical, but I'm required to take the law into account.

There is a potential for section 14A to apply to claims based on allegations which could be considered a claim for negligent misstatement. But for similar reasons to what I've said above, I don't think I can safely conclude S made a negligent misstatement if it couldn't have been aware of a potential issue when it sold Mr P the service. And even if I could consider there was a negligent misstatement made by S, it's not totally clear that section 75 would cover causes of action under common law that arise independently of the contract.

Section 32 of the LA sets out postponement of the limitation period in case of fraud, concealment or mistake. It could be argued that Mr P and S entered into the contract on the basis of a mistake. But section 32(1)(c) that relates to mistakes is only capable of applying where the 'mistake' is an essential element of the cause of action. In Mr P's case, even if there was a mistake made which constituted negligence on the part of S, I think that 'mistake' wouldn't be essential to the claim in negligence.

Taking all that into account, while I appreciate it's not straight-forward, I've not seen there's a scenario that extends the time limit in this case.

Where it is unlikely a claim against the supplier could succeed due to the expiry of the likely relevant limitation period of six years, I find it was fair and reasonable for HSBC to decline the section 75 claim. So I don't uphold this aspect of the complaint.

I know Mr P is also unhappy with the manner in which HSBC handled the claim, but I think it dealt with things within a reasonable time, and I consider its communication was broadly appropriate.

I should point out that while I'm not upholding this complaint, that's not to say something hasn't gone wrong with the installation. I'm sorry to hear Mr P has been put to a significant cost of having the spray foam installed and subsequently removed. I can't imagine how Mr P must feel. I thank him for taking the time to bring his complaint. But while I may be sympathetic to the situation, I can only uphold the complaint where there are grounds to do so. Having considered everything carefully, I'm not going to direct HSBC to take 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 P to accept or reject my decision before 13 May 2026.

Simon Wingfield
Ombudsman