

## **The complaint**

Mr S complains about the way HSBC UK Bank Plc ('HSBC' or the 'bank') handled his claim for a refund.

## **What happened**

Mr S and HSBC are aware of the background to this complaint, so I've only summarised it here.

Mr S bought two sofas (the 'sofas') from a business I'll refer to as 'T' using his HSBC credit card. The cash price for each item was £315. With delivery costs Mr S paid T a total of £690 for the sofas which were purchased in January 2024. Mr S first raised issues about the sofas with T in February 2024. T asked Mr S for evidence of the faults. But after receiving information from Mr S, T said it wasn't willing to refund him. Mr S brought his claim for a refund to HSBC. HSBC declined Mr S's claim on the basis there wasn't sufficient evidence to show there had been a breach of contract. HSBC also declined to pursue Mr S's chargeback further after T defended it. When the matter came to us, our investigator didn't recommend upholding the complaint. Mr S disagreed so the matter 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.

First, I'm very aware that I've summarised this complaint in far less detail than the parties and I've done so using my own words. I'm not going to respond to every single point made by all the parties involved. No discourtesy is intended by this. This simply reflects the informal nature of our Service.

In considering what is fair and reasonable, I need to have regard to the relevant regulations, law, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time. Here relevant law and regulations include, but are not limited to, section 75 of the Consumer Credit Act 1974 ('section 75'). The relevant rules about chargeback is also something I've considered here.

### *Chargeback*

Chargeback is a process where sometimes a bank can get money back for its customers. The chargeback system, which in this case was run by Visa, doesn't give consumers legal rights. But we consider it good practice for a bank to raise a chargeback where there is a reasonable prospect of it succeeding.

HSBC did a chargeback in attempt to get Mr S's money back from T. I think the most likely chargeback reason code is 'goods not as described and/or are defective'. But T defended the chargeback saying that it didn't think the sofas were defective which was the main basis for Mr S's claim. Given this, and the fact I don't think Mr S presented sufficient evidence of

the sofas having any faults, I think HSBC had done all it could here for him in exploring this option. I don't think his chargeback had a reasonable prospect of success.

### *Section 75*

Briefly summarised, section 75 says that where a consumer uses certain types of credit - and that includes a credit card - to purchase goods and/or services and there's a misrepresentation and/or breach of contract by the supplier (in this case T), the consumer will have a 'like' claim against the provider of finance (HSBC) as they would against the supplier. There are other conditions, but it's not disputed they're met in the circumstances of this complaint.

What I'm reviewing here is whether HSBC has acted fairly in declining Mr S's section 75 claim. In essence, I'm looking at the claims handling. I'm not a court so whilst I've had regard to the law including the Consumer Rights Act 2015 ('CRA') such as whether the sofas were of satisfactory quality, I'm not making a finding on whether there has actually been a breach of contract. Only a court can make a finding in this regard. However, I do think HSBC needs to fairly and reasonably conclude whether to accept liability under section 75.

I can see HSBC concluded, after reviewing Mr S's claim, that the evidence he presented wasn't enough for it to agree to a refund of the costs of the sofas and other costs that were being claimed. HSBC said because of this it required an independent report to support Mr S's claim. I appreciate Mr S doesn't think one is necessary in this case. He says because the faults appeared within six months of the purchase he shouldn't have to obtain an independent report as the burden of proof is on HSBC to show it wasn't liable for breach of contract.

As our investigator explained, the first thing to show is there is an actual fault with the goods in question. Here the evidence Mr S supplied to HSBC in support of his claim such as photos, texts with T and the sales documents, don't show or demonstrate that there were any obvious signs of faults with either sofa. T did ask Mr S to provide video evidence of the issue such as the sofas making a 'noise' as he described. But from reviewing the texts between Mr S and T, it doesn't appear that he (Mr S) sent any of this type of evidence to T and/or HSBC.

Mr S says the faults appeared in the first six months so it's for HSBC to show it wasn't liable for breach of contract. But there would first need to be evidence of a fault. If Mr S provided persuasive evidence of a fault then it would be for HSBC (or T) to show this wasn't present, or developing at the point of sale. To this end, I don't think Mr S has supplied sufficient evidence to show there was an actual fault with either sofa. The photos supplied as part of Mr S's claim wouldn't (and didn't), for example, show the 'noises' he complained about. A video recording might've shown this. And the photo I've seen, doesn't show any obvious signs of faults. I appreciate what Mr S says about the faults being 'internal'. However, a video recording may have shown the 'noises' which Mr S attributed to a potential internal fault. So, based on all the evidence in this case, HSBC, fairly in my view, concluded, it wasn't liable to refund Mr S under section 75.

Mr S has mentioned his disability a number of times. A business is responsible for ensuring, where possible, it makes reasonable adjustments for customers when they disclose a disability. I can't see that Mr S asked HSBC for any specific adjustments. Rather what Mr S seems to be saying is that HSBC asking for more evidence has had a detrimental impact on his health. However, whilst I sympathise with Mr S's situation and have fully considered what he has said about the impact he says this process has had on his health, I'm satisfied HSBC clearly explained why it needed additional evidence before it would agree to refund him. An independent report was one way this could've been done. And I would expect HSBC to fairly consider any other relevant evidence presented by Mr S. But based on what

HSBC did receive, I don't think it was acting unfairly or unreasonably for asking for additional evidence from Mr S.

For all the above reasons, I'm not upholding the complaint. I know this is not the outcome Mr S wants. However, he doesn't have to accept my findings and may pursue this matter through alternative means, such as court (taking appropriate advice), should he wish to do so.

### **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 8 May 2026.

Yolande Mcleod  
**Ombudsman**