

The complaint

Mr W complains that HSBC UK Bank PLC has not met its obligations in regard to a transaction he made on his credit card to get out of a Timeshare type agreement.

What happened

In July 2022 Mr W talked with a company which said it provided Timeshare Relinquishment services (which I will call "Firm S"). Mr W says Firm S told him it could get him out of his timeshare type agreement he'd previously entered into. And that if it didn't do so within twelve months he'd get a full refund. So Mr W paid Firm S £5655 using his HSBC credit card.

Mr W says he immediately called HSBC feeling that he'd been caught up in a scam. Mr W says he's had significant contact with HSBC but to little success. He says he provided a dispute form to HSBC in March 2023 which he'd come across. Unhappy with HSBC's taking the matter forward he complained to this service.

Our Investigator considered the matter and felt that HSBC hadn't treated Mr W unfairly largely because it still could take the matter forward through either Chargeback or Section 75 of the Consumer Credit Act 1974. But Mr W didn't agree so this decision comes to me to decide.

Since the Investigator here had issued assessments to Mr W on the matter HSBC has said Mr W has had a full refund which was achieved through the Chargeback process.

In October 2023 I issued a provisional decision noting the significant change in facts (specifically Mr W receiving a full refund) and explaining I wasn't upholding Mr W's complaint.

Mr W has provided his thoughts on the matter. HSBC hasn't added anything further. Accordingly I now issue this final 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.

Having done so, including Mr W's recent comments, my position remains materially unchanged. Accordingly Mr W's complaint is unsuccessful. I shall reiterate my rationale below and deal with Mr W's further comments at the end of this decision under 'further comments'.

I should make it very clear that this decision is not about Firm S, or any other parties involved directly with Mr W's timeshare arrangements. This is because these companies aren't within the jurisdiction of this service. This decision is solely about what HSBC did or didn't do in relation to its obligations in relation to Mr W. And it should be remembered that HSBC is only involved in this issue as a result of its managing Mr W's credit card account

which he used to make these transactions to Firm S, it wasn't the party that offered timeshare relinquishment services to Mr W. I should add that Mr W has provided substantial amounts of evidence and comment in relation to Firm S and indeed apparently linked entities. I've considered all of this. However I will only be considering the actions of HSBC here as this decision can only consider how it considered Mr W's dispute and not the broader issues Mr W raises.

In essence the tests I must consider in relation to HSBC are whether the transaction itself was made correctly, and whether HSBC's position in regard to Chargeback and Mr W's Section 75 claim to it under the Consumer Credit Act 1974 was fair.

Mr W doesn't contest that he made the transaction originally, or that it was applied incorrectly to his account. I've considered the transaction itself and I'm satisfied HSBC didn't do anything wrong in processing it or allocating it to his account. Mr W accepts he authorised and consented to the transaction being made at the time it was made.

could HSBC challenge the transaction through a chargeback?

In certain circumstances, when a cardholder has a dispute about a transaction, as Mr W does here, HSBC can attempt to go through the chargeback process. Chargeback isn't a right, but this Service does consider it good practice to raise a chargeback, if within the time limits and there is a reasonable prospect of success. I don't think HSBC could've challenged the payments on the basis Mr W didn't properly authorise the transaction, given what I've already set out.

Here HSBC raised a chargeback, and it was successful. And I can see Mr W's account has been credited. Under the Chargeback scheme rules the maximum amount you can get through a chargeback is the full amount of the transaction. I can see Mr W has received this. So I don't think HSBC has treated Mr W unfairly in regard to chargeback.

how about the Consumer Credit Act 1974?

HSBC has said that whilst the dispute was still within the time limits of the chargeback scheme it would consider chargeback before considering S75 of the Consumer Credit Act 1974. In this case I don't think that's unreasonable and as I've said Mr W has had a full refund. It is clear from Mr W's commentary he contacted HSBC on the day he made the payment because he believed it to be a scam. As such, I'm not persuaded he could from that point rely on what he'd been told reasonably having made clear he believed he'd been lied to. And I've not seen any persuasive direct financial loss as a direct consequence of what he was told by Firm S outside of the payment he made it to begin with. So although I've not seen any persuasive evidence of HSBC considering S75 here I'm not persuaded this has caused any loss to Mr W because he's already received a full refund which is what he would have received if a S75 claim was successful based on the circumstances here.

For the sake of completeness I'll deal with some of the key arguments Mr W has made as I see them. Mr W has made the observation that when he made the transaction it was as far as he was concerned with Firm S but actually the money went to a third party. I don't doubt his comments on this matter. Nevertheless the recipient of the funds has refunded him and HSBC when making the transaction is only bound to comply based on the evidence it receives through the transaction mechanism rather than with who Mr W believed he was talking to at the time.

Mr W points to press coverage around banks and their approaches to such disputes. However it is of note that HSBC on receipt of Mr W's dispute form initiated the chargeback promptly and were successful in recouping the full amount.

Mr W points to difficulties in contacting HSBC and the time spent. I note that when Mr W contacted HSBC it was with the view of stopping or unwinding the transaction because it was not authorised. However it is clear from what Mr W says he'd had a number of conversations, signed contracts, and had made the transaction willingly and had authorised and consented to it. So I don't think HSBC did anything wrong in how it treated the transaction itself.

Mr W suggests that HSBC deliberately didn't engage with him. I've considered what happened here and I'm not persuaded HSBC acted with malice here and I see no reason for it to do so. Particularly as the recipient of the funds reimbursed Mr W through the chargeback process.

Mr W has made a number of arguments around Firm S, other related entities operating in and around Timeshare relinquishment. However such entities aren't the responsibility of HSBC. And I can only decide upon how HSBC treated Mr W in this matter. And although Mr W has made numerous arguments around the compliance and standards of firms such as Firm S it is of note that it has refunded him. And getting his money back after twelve months was what was agreed originally if it didn't provide the service advertised. So I don't think HSBC has done anything wrong here.

Mr W has made numerous arguments about the regulation of firms and ensuring such firms act with integrity. He makes numerous valid arguments here. But neither HSBC nor this service is responsible for the regulation of firms offering timeshare relinquishment services.

Further comments

Mr W has made a significant amount of further comment on the matter, all of which I've considered. I note that a portion of his comments are about Timeshare Relinquishment industry and some of the other parties involved here. As this is a dispute regarding HSBC, as I explained in my provisional decision, I'll not be commenting on Mr W's comments about other firms or the industry. That is not to say these aren't important issues but rather they're not at the crux of this complaint to my mind.

It is also clear that Mr W has expectations of how HSBC should act and how they should have responded. And much of this is around the difficulties he found in making his arguments to it. Bearing in mind its evidence on the matter I'm of the view that it doesn't necessarily follow that because HSBC didn't meet his expectations that it had failed in some way.

Mr W says he wasn't refunded but his credit card account was credited. As this was a successful chargeback that is fair to my mind in this case.

Mr W makes a number of further arguments, but these do not persuade me to make a material change to my overall position.

All in all, having considered all of Mr W's arguments I'm not persuaded he's lost out because of how HSBC treated him. I appreciate he's done lots of research into the surrounding matters and is particularly vexed by how he found himself making this transaction and trying to rectify it. And that he's chosen to spend a lot of time on the matter. However I don't think that Mr W has lost out due to how HSBC treated the transaction or his dispute with Firm S.

My final decision

I do not uphold this complaint against HSBC UK Bank PLC. It has nothing further to do in this regard.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 29 December 2023.

Rod Glyn-Thomas
Ombudsman