

The complaint

Mr G says HSBC UK Bank Plc, has treated him unfairly in relation to a transaction on his credit card which paid for accommodation.

What happened

In July 2022 Mr G's HSBC credit card was charged for accommodation for a second night's stay. Mr G had paid the first night separately. On the second day of his stay he went out for the day. On return to the accommodation Mr G says his room hadn't been serviced. There was a discussion with staff and Mr G along with Mrs G packed their bags and left without staying for the second night that they'd booked. After some debate, deadlock was reached with the Hotel, so Mr G complained to HSBC. HSBC said it raised a Chargeback with the Hotel, and on receipt of the Hotel's defence to the chargeback decided not to take the chargeback further. It decided it didn't need to refund Mr G. Mr G remained unhappy, so he brought his complaint to this service. Our Investigator felt HSBC didn't have to do anymore. And Mr G remains unhappy and so this complaint comes to me for a 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.

Mr G used his HSBC credit card to pay for the Hotel. This meant that if certain criteria were met HSBC can have certain responsibilities to Mr G which arise from the relevant law, specifically, Section 75 of the Consumer Credit Act 1974 ('the CCA'). Also Mr G's HSBC credit card is part of a card scheme and this scheme has rules which includes giving HSBC a route for card transactions to be disputed with Merchants such as the hotel, namely through the Chargeback process. This isn't a right for consumers, but this service considers raising chargebacks to be good practice. However it is possible that HSBC could take the chargeback as far as possible and Mr G still not be successful in getting a refund.

I should also add at this juncture that this decision is solely about HSBC and whether it did what it should have and whether it treated Mr G fairly. This decision isn't about the accommodation, which isn't within this Service's remit for complaints regarding Chargeback and S75. I hope this key distinction is clear. Just because Mr G is unhappy with the accommodation and its staff, it doesn't necessarily follow that HSBC has done something wrong.

could HSBC challenge the transaction through a Chargeback?

HSBC did raise a chargeback here. The accommodation responded in detail and pointed to its terms and conditions and that the room and food provisions were available. It says Mr G chose to leave of his own accord. HSBC considered the accommodation's response and decided a chargeback no longer had a reasonable prospect of success. I've considered the evidence here. It's clear there was a dispute between Mr G and Mrs G and the staff at the accommodation. Mr G refers to the accommodation staff being rude to them repeatedly. I've also seen emails between the parties and the accommodation staff also make clear they

think much the same about Mrs G's behaviour. And I can understand that there is probably significant disappointment here in what happened. However I'm not persuaded the room was unavailable or the contracted services were unavailable either. And I'm not persuaded any chargeback reason would have been successful had it been pursued to the end of the process. So I'm not persuaded HSBC treated Mr G unfairly by not taking the chargeback further. So I don't think Mr G has lost out because of what HSBC did.

Section 75

I've considered the terms and conditions of the accommodation and the broader implied terms under the Consumer Rights Act. I note the terms make clear that if you leave early the full booking remains payable. I also note there is no contractual commitment by the accommodation around the daily cleaning/servicing of the room, which is a key concern to Mr G from what he's said. I've considered the Act mentioned along with the accommodation terms and what Mr G has said about what happened, and I'm not satisfied there has been any breach of contract here or material misrepresentation. So I'm not persuaded HSBC should refund Mr G. Mr G's arguments are not persuasive of HSBC doing anything wrong here.

HSBC offered Mr G £50 for its customer service which Mr G declined. I've considered HSBC's internal records alongside Mr G's comments on the matter. And I'm satisfied it's a fair offer in the circumstances.

Mr G has made a number of comments about the accommodation and its staff in response to our investigator's assessment of the matter. But he's not provided any persuasive argument why HSBC has treated him unfairly here or why it should refund him. Clearly Mr G is unhappy with the accommodation. But HSBC isn't responsible for the provision of that accommodation. It is only responsible for its obligations here and to treat Mr G fairly.

And as a consequence of all this I've decided that Mr G's complaint doesn't succeed.

My final decision

For the reasons set out above, I do not uphold the complaint against HSBC UK Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 18 August 2023.

Rod Glyn-Thomas
Ombudsman