

## **The complaint**

Mrs B and Mr B complain that HSBC UK Bank Plc (HSBC) won't refund money they paid to a travel company.

## **What happened**

On 17 May 2022, Mrs B and Mr B paid £4,381 for a flight through a travel company (which I will refer to as 'A'). The payment was made with a Visa card.

On 22 December 2022, company A went into liquidation.

On 25 December 2022, Mrs B and Mr B requested a refund through HSBC using the chargeback service.

On 30 January 2023, HSBC credited Mrs B and Mr B's account with £4,381 and wrote to Mrs B and Mr B on 18 February 2023.

On 11 March 2023, HSBC wrote to Mrs B and Mr B to say the chargeback had been unsuccessful. Mr B signed an authority to withdraw the claim.

On 30 March 2023, HSBC re-debited Mrs B and Mr B's account with the amount of £4,381.

Mrs B and Mr B complained. They said HSBC's communications hadn't been clear enough. When the credit for £4,381 was credited to the account, they thought it was from A and everything had been repaid and settled. So, when the letter dated 11 March 2023 arrived, they didn't want to receive a double refund, and so signed to say they didn't want to proceed with the claim.

They went on to say they couldn't claim through ATOL – as they didn't have sufficient information or reference numbers to do that.

HSBC said that on 18 February 2023, they wrote to Mrs B and Mr B and the letter clearly said the credit was a temporary one, pending the claim for a refund. The letter went on to say the account may be debited again – depending on the outcome. HSBC paid compensation of £150 when Mr B spoke to them on 18 May 2023 – as they accepted on the call that there may have been a lack of clarity in explaining the process.

Mrs B and Mr B brought their complaint to us. Our investigator firstly established that this was a civil matter, and not a scam. He went on to say that the chargeback service is a voluntary scheme run by Visa – and there are limited rules (set by Visa, not HSBC) on whether a chargeback is successful or not.

He said while the chargeback claim was being considered, a temporary credit was placed to Mrs B and Mr B's account, but this was then re-debited on 11 March 2023 – when Mr B said they didn't want to pursue the claim.

He could see that HSBC wrote to Mrs B and Mr B via online secure messages on 18 February 2023. He was satisfied that the letter was clear – that the credit was temporary, and the account may be re-debited in the future. But he accepted that HSBC's communications could've been clearer.

He could also see that ATOL had provided documentation to Mrs B and Mr B which showed their rights to make a claim through that body in the event of non-provision of services. He couldn't see that a claim had been made in that way by Mrs B and Mr B.

Mrs B and Mr B asked that an ombudsman look at their complaint, and so it has come to me to make a 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.

I'm sorry that Mrs B and Mr B have lost money as a result of company A going out of business in December 2022. I can see that A had been trading since 2006 – so what happened must have been a shock to Mrs B and Mr B, and of course their travel plans were disrupted.

To be clear, this was a civil dispute between Company A and Mrs B and Mr B - where a payment is made to a legitimate trading company or business, but the promised services or products don't materialise, or are sub-standard. I can see that when they made the payment to company A in May 2022, it was trading – and didn't go into liquidation until December 2022. Under such circumstances, a claim can be made through the Air Travel Organisers' Licensing (ATOL), or a chargeback claim can be made through HSBC.

Mrs B and Mr B made a chargeback claim to HSBC in December 2022. As our investigator has said, it is for Visa to decide whether or not a claim is agreed or not – and is subject to their rules. And in this case, Visa decided that it wouldn't provide a refund.

The crux of this complaint is whether HSBC's communications were clear enough. Mrs B and Mr B says they weren't – and so I looked at these aspects.

I can see that a credit of £4,381 was placed to Mrs B and Mr B's account on 30 January 2023. And then – HSBC wrote to Mrs B and Mr B on 18 February 2023. The letter was sent to Mrs B and Mr B through internet banking – secure messages. I asked HSBC more about this and they confirmed and showed evidence:

- Mrs B and Mr B both opted to receive HSBC's communications 'online' in 2017.
- When making the chargeback claim (on 25 December 2022) they opted to receive communications about it online.
- The letter dated 18 February 2022 was sent online to both Mrs B and Mr B.

I then considered the clarity of the letters.

The letters dated 18 February 2023 said: *"Thank you for your inquiry about the transaction shown below...GBP4,381...We are investigating this for you and in the meantime we have credited your account with GBP 4,381.00. Depending on the results of our investigation, we may contact you again and arrange to reapply this debit to your account"*.

The chargeback claim was denied by Visa, and HSBC then wrote to Mrs B and Mr B on 11 March 2023. I looked at the letter – it was headed “*Dispute Update Form - Claim Rejected*”. It quoted the disputed transaction - £4,381 - and named company A. it said “*Retailer has declined the dispute. Please refer the below attached document for further clarification....*”

There were two options presented to Mrs B and Mr B. The first said they could submit more evidence; but Mr B signed the second option which said “*Please cancel my dispute. Based on this new information, I authorize you to re-debit the funds from my account and take no further action.*”

Mrs B and Mr B argue that they thought they’d already had the refund from A and didn’t want to duplicate the refund – and that’s why Mr B signed the document in this way.

I’ve thought about this, and that taken together, I consider HSBC’s communications to be clear and not misleading. And I’m satisfied that the letters dated 18 February 2023 were sufficiently clear that the account may be debited again if the claim was unsuccessful. And – the letter dated 11 March 2023 was also clear that the merchant had declined the refund. So – it does appear that Mr B made a mistake when he signed to say the dispute could be stopped – but I can’t in all fairness hold HSBC responsible for that.

Mrs B and Mr B have gone on to argue that they were misled by company A – that A never bought the tickets in the first place and A misrepresented itself – they said no booking was made.

They also said they didn’t have sufficient information with which to make a claim to ATOL. They say they weren’t given an ATOL certificate when they booked the tickets. They argue that this was also a misrepresentation on the part of company A.

I’ve considered these two further points – and they are not issues or complaints we can expect HSBC to have considered or be involved with – they are part of a dispute between Mrs B and Mr B and company A – and this must be addressed to the liquidator of company A. Details of the liquidator and the progress of the liquidation can be found on the Companies House website. I noted the liquidator published a Statement of Affairs in December 2022 which sets out the position of company A, and its assets and liabilities.

Mrs B and Mr B have asked for more compensation – as they argue that the communications weren’t good enough, and they suffered frustrations which have had a lasting effect. But as I’ve set out in this decision, I consider that HSBC’s communications were clear enough – and therefore I’m not awarding any further compensation.

I accept that when a travel company ceases trading – that the experience is a frustrating and worrying one for its clients. But having reviewed HSBC’s actions in handling and communicating the chargeback claim, I’m not going to ask them to do anymore here.

**(continued)**

## **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mrs B and Mr B to accept or reject my decision before 1 February 2024.

Martin Lord  
**Ombudsman**