Ombudsman Decision
CIFO Reference Number: 25-000075
Complainant: Mrs N
Respondent: HSBC Bank Plc, Jersey branch

The Complainant, who I shall refer to as Mrs N, complains that when she cancelled a pre-paid hotel booking, HSBC did not refund her the cost under the Visa chargeback rules.

Background

In October 2024 Mrs N made an online hotel booking. She paid US$3,348.54 using her HSBC debit card; after conversion, her account was debited with £2,572.04. After the booking had been made, Mrs N noticed that she had been charged more than she was expecting to pay; she suspected she had been defrauded. She cancelled the booking, contacted HSBC's fraud department, and went to a branch to explain what had happened. HSBC staff told Mrs N that she needed to raise a dispute rather than a fraud complaint. Mrs N did that and the payment was refunded on 20 November 2024.

Following a review of the claim and the supporting documents, HSBC wrote to Mrs N on 14 January 2025 to say that the dispute had been rejected. The bank referred to the booking terms, which said that the booking was non-refundable. HSBC said it would therefore re-debit Mrs N's account.

Mrs N did not accept this decision and complained to HSBC. HSBC's final response to the complaint said that the bank had not made an error and that it would not uphold the complaint. Mrs N then referred the matter to CIFO.

One of CIFO's adjudicators said that the basis for not accepting the chargeback claim was in line with the Visa rules and that Mrs N therefore remained liable for the booking charge. She added that the initial temporary refund made to Mrs N's account was the usual and correct procedure adopted whilst a dispute was being dealt with. She did not recommend that the complaint be upheld.

Mrs N remained unhappy and requested a Final Decision. In summary, she said:

- The merchant could not be contacted. She was unable to make contact by telephone, and emails were not replied to.
- She was told that the reference number she had been given did not exist.
- She did not believe this was normal business behaviour. There was no way to engage the merchant, which undermines the fairness of the dispute process.
- The hotel referred her to a different booking company, which Mrs N had not used. That company had no record of any booking.
- She had identified many reviews and warnings describing the merchant as deceptive. Customers reported being misled into thinking they were booking direct with the hotel, finding unexpected and inflated charges, and being unable to make contact with customer service or to claim refunds. There was, she said, a pattern of deception and fraud.
- The merchant's website has been shut down.

Findings

I have considered all the available evidence and arguments to decide what is, in my opinion, fair and reasonable in the individual circumstances of this complaint. Where necessary or appropriate, I reach my conclusions on the balance of probabilities; that is, what I consider is most likely to have happened, in light of the evidence that is available and the wider surrounding circumstances.

In line with my statutory duty to disclose evidence, I have provided copies of the documents which I have relied upon in reaching my decision.

Chargeback is a scheme administered by the card schemes (in this case, Visa) for resolving certain disputes arising from card payments. The underlying dispute here is between Mrs N on the one hand and the booking company and/or the hotel on the other. It is not for me to resolve that dispute (and I have no power to do so). Rather, I must consider HSBC's actions in dealing with the chargeback claim.

The booking confirmation indicates that Mrs N made a booking for two people for 12 nights. HSBC's records indicate that, in a telephone conversation on 28 January 2025, Mrs N explained that she had intended to book only one night.

Mrs N made the booking online with a booking company. The detail of the booking shows the full price charged and details its cancellation policy in three places as shown in the extracts below. As shown below, Mrs N accepted these terms by ticking the relevant box:

☑ By booking this reservation, I agree to comply with the terms and conditions and agree to the cancellation policy. Each room in this reservation is subject to the following cancellation policy: This reservation is non-refundable. There is no refund for no-shows or early checkouts.

Cancellation Policy: Your credit card is charged in full at the time you book a reservation. Each room in this reservation is subject to the following cancellation policy: This reservation is non-refundable. There is no refund for no-shows or early checkouts.

Cancellation Policy

Your credit card is charged in full at the time you book a reservation.

Each room in this reservation is subject to the following cancellation policy: This reservation is non-refundable. There is no refund for no-shows or early checkouts.

I think it is more likely than not that Mrs N would have been able to review the booking details and the cancellation policy before confirming that she wanted to go ahead with the booking and the payment. I note that the cancellation policy refers to a credit card payment, whereas Mrs N paid by debit card, but I do not believe that makes any difference.

The merchant which took the payment (and dealt with the refund claim) is a travel agent which connects customers with third-party suppliers, including hotels. In refusing a refund, it said that Mrs N had made the reservation online and that she had entered all the information. She had clicked a box to confirm the booking and to indicate that she accepted the terms and conditions. She was then sent an email confirming the booking. It seems that this email alerted Mrs N to the fact that she had made a booking for 12 nights. It said:

"***Terms -*** *By booking this reservation you have accepted the Terms and Conditions."*

And:

Cancellation policy

Each room in this reservation is subject to the following cancellation policy: This reservation is non-refundable. There is no refund for no-shows or early checkouts."

I am therefore satisfied that Mrs N knew, or should have known, the terms of the booking and the no refund policy, both at the time of booking and upon cancellation. They were clearly displayed when the booking was made online; the terms relating to cancellation meant that the merchant could properly reject the claim for a refund.

Following the issue of the final response by HSBC, correspondence was exchanged between HSBC, in which the bank fully explained the reasons for the rejection of the dispute.

I can understand that Mrs N is upset that the payment was initially refunded – perhaps giving the impression that the dispute had been resolved in her favour – but was then re-debited. That is, however, standard procedure in chargeback cases such as this and is in line with the Visa chargeback rules. A temporary credit is usually applied while the underlying payment dispute is considered.

For these reasons, I believe that HSBC acted appropriately in raising the dispute and could do no more to assist Mrs N in light of the merchant's response and the supporting evidence. Further I do not believe that HSBC acted unfairly or unreasonably when it first reimbursed Mrs N with the booking cost and later debited her account when the dispute was rejected.

Finally, as regards Mrs N's suggestion that she was scammed, I have not seen any persuasive evidence to support this. Whilst there may or may not be issues with the service that the booking company provides, or with the hotel later having given her incorrect information about the booking, that does not have any direct impact upon the actions of HSBC against which this complaint has been made.

Final Decision

For these reasons, my final decision is I do not uphold this complaint.

Mike Ingram
Ombudsman

Date: 26 January 2026

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