

The complaint

Mr C complains HSBC UK Bank plc didn't give him an overdraft despite promising to do so and then closed his account unfairly. He also complains about HSBC's customer service.

What happened

In April 2019 Mr C applied to HSBC for a current account as another business was about to close his current account. He wanted an overdraft. HSBC offered him a basic account which, according to Mr C, he was told he could upgrade in three months' time.

Shortly after opening his account, Mr C applied for an overdraft and was turned down. Mr C complained about this and other issues which he said he wasn't happy about.

HSBC wrote to Mr C in late 2019 to say that it had decided to close his account – it gave him 60 days' notice. Mr C – who describes himself as a “vulnerable and disabled adult” – complained to us about HSBC's decision to close his account, about HSBC's decision not to give him an overdraft and about HSBC's customer service.

One of our investigators looked into Mr C's complaints but didn't uphold them. They didn't think that HSBC had promised to give Mr C an overdraft after three months or acted unfairly when it closed his account. Nor did they think HSBC had provided poor customer service. Mr C disagreed, saying, amongst other things, that he would have stayed with his previous bank if he'd known that HSBC wasn't going to give him an overdraft. He also said he'd been promised an overdraft. So he asked for a decision from an ombudsman.

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.

did HSBC promise Mr C an overdraft?

I can understand why Mr C wanted an overdraft – he had an overdraft on the account he'd been told was about to be closed. I don't, however, accept that HSBC promised Mr C that he'd get one automatically if he waited three months. That's because HSBC would, amongst other things, have had to carry out affordability checks before giving Mr C an overdraft. His previous bank ultimately decided to end the relationship. So staying with them wasn't an option.

Mr C was upset when he didn't get an overdraft. He appears to have been particularly upset about HSBC not telling him it would be more difficult for him to get lending if he used his funds to gamble. I know Mr C believes very strongly that it's his decision what he spends his money on, but banks are taking the issue of problem gambling seriously these days. That doesn't mean I would have expected HSBC to explain to Mr C unprompted that he might find it more difficult to get lending if he gambled. I think it would have been enough for HSBC to explain to Mr C that he could apply for an overdraft in three months' time – he had a poor credit file when he opened his HSBC account so was unlikely to be offered credit – and that

this would involve affordability checks. I'm satisfied that HSBC did this. HSBC sent Mr C a letter shortly after he opened his account that made this clear too.

did HSBC act unfairly when it closed Mr C's account?

Mr C complained a lot about HSBC's customer service in the short period of time he held an account with them. I can understand why HSBC might have been concerned about this – it could reasonably have concluded that Mr C was a serial complainant. I can also understand why Mr C was upset when HSBC didn't speak to him to see if it could keep the relationship going – that's what his previous bank did. I would also have expected HSBC to consider its actions carefully given that Mr C had, at the time, a basic bank account and, as far as HSBC knew, no other account. That isn't, however, something that the manager who made the decision took into account. So I agree with Mr C that HSBC's decision wasn't as well thought out as it should have been. I haven't, however, seen any evidence to suggest that HSBC's decision was as a result, for example, of it failing to make reasonable adjustments for Mr C. More importantly, HSBC's decision didn't leave Mr C without an account. In the circumstances, I don't think HSBC's decision was an unfair or an unreasonable one.

My final decision

My final decision is that I'm not upholding this complaint as I don't think HSBC has acted unfairly or unreasonably.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 8 May 2020.

Nicolas Atkinson
Ombudsman