

The complaint

Mr H and Mrs M complain about the way HSBC UK Bank Plc managed their account when they were experiencing financial difficulties.

What happened

Mr H and Mrs M have held a joint current account with HSBC for several years. They were previously managing their finances with little to no problems, but things changed in the last seven years when the account was used to fund gambling.

Mr H and Mrs M explain that Mr H struggled with gambling for a number of years, and this started to impact their financial situation. They went from regularly being in credit, to hundreds and/or thousands of pounds being spent on gambling daily. And this resulted in their account regularly utilising unarranged overdrafts. They've also complained that Mr H could successfully apply for arranged overdrafts without Mrs M's consent.

Mr H and Mrs M don't think HSBC provided them with adequate support. In particular, they're unhappy with the time it took HSBC to apply a nil marker to their account that prevented it going overdrawn. They're also unhappy this nil marker was removed which allowed overdraft applications to be approved, and debts to be run up on the account. And because of this, they found themselves needing to heavily rely on their children for day-to-day living expenses over the years, and particularly when repaying the overdraft. Because of HSBC's failure to support them, Mr H and Mrs M asked to be compensated for the money they've lost, and the impact this situation has had on them.

HSBC say they provided support once they were aware of the problems Mr H and Mrs M were facing. And the level of support was appropriate for what was expected of them at the time. Mr H and Mrs M disagreed with this, so they brought their complaint to our service.

Due to the issues involved, our service decided it best that an ombudsman issue a provisional decision in the first instance, so the case was passed to me to look into.

I issued my provisional decision on 28 June 2021, and in this I was minded to say Mr H and Mrs M's complaint should be upheld. I explained that HSBC ought to have been aware gambling transactions were affecting Mr H and Mrs M's finances from May 2014 due to Mrs M calling them and asking for a temporary overdraft to cover essential bills. I also didn't consider unarranged or arranged overdrafts should have been allowed on the account after this date given the gambling transactions and conversations between HSBC and Mrs M indicated they were struggling with their finances.

As I was minded to say HSBC should have done more to support Mr H and Mrs M I suggested HSBC:

- reimburse all interest and charges applied to Mr H and Mrs M's joint account from when it went overdrawn in May 2014, to the date they brought their complaint to our service;
- provide Mr H and Mrs M a breakdown of how the refund of interest and charges has been calculated;
- pay £2,500 in recognition of the worry and stress Mr H and Mrs M experienced due to HSBC's failure to provide adequate support; and
- the amounts above are paid to Mrs M's sole account as that is what Mr H and Mrs M requested to help them manage their finances.

HSBC agreed to with my provisional decision but explained their systems could only reimburse the interest and charges to the account that was charged – so in this case, Mr H and Mrs M's joint account.

Mr H and Mrs M didn't agree with my provisional decision. The crux of their arguments was that my decision didn't go far enough to compensate them for HSBC's mistakes. They were also unhappy my decision didn't address HSBC's handling of Mrs M's sole account. To put things right, Mr H and Mrs M asked for:

- a refund of the arranged and unarranged overdraft on their joint account totaling £23,967.93;
- a refund of the overdrawn balances from Mrs M sole account, for the whole period the nil marker or block should have been in place, totaling £9,935.33;
- refund of fees charges and overdraft interest applied from 15 January 2014 to 12 October 2015, totaling £668.44;
- refund of fees, charges and overdraft interest after the nil marker from 23 November 2015 to 12 October 2016, totaling £15.25;
- refund the arranged overdraft amount of £4,800 plus interest; and
- pay compensation of £100,000 for the emotional distress, humiliation, suffering and mental pain caused by HSBC's failures.

I've considered everything both parties have said, alongside the information we already had on file. Having done so, my decision remains largely the same, and I won't be asking HSBC to do any more than I set out in my provisional decision. I know this isn't the outcome Mr H and Mrs M hoped for, but I'll explain my reasoning below.

Before I set out my findings, I need to explain it wasn't a mistake on my part when I didn't mention Mrs M's sole account – rather those concerns are going to be investigated in a separate case. While the issues concerning the joint account and Mrs M's sole account are interlinked – only Mrs M is HSBC's customer in relation to that account, and we cannot comment on those issues in this joint complaint.

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 considered everything, I'm upholding this complaint. I'm aware my redress isn't what Mr H and Mrs M asked for, but I'll explain my reasoning below.

Like my provisional decision, this final decision will address the crux of Mr H and Mrs M's complaint. While I won't explicitly comment on every point raised, I would like to assure them I have reviewed and considered everything we received and have on file.

When should HSBC have been aware gambling transactions were affecting Mr H and Mrs M's finances?

Mr H and Mrs M complain they experienced financial difficulties because Mr H had a gambling addiction. Despite Mrs M making HSBC aware of this in late 2013, they say HSBC didn't take sufficient steps to help them manage their account effectively. HSBC disagree, and say they weren't made aware of Mr H's gambling addiction until early 2016.

HSBC no longer have recordings of calls that took place in 2013, and given the time that's passed, I don't consider this to be unusual. However, we have been provided with contact notes relating to Mr H and Mrs M's account. These date back to 2013, so I've used these to determine what was more likely to have been discussed, and when.

Having reviewed the contact notes, I've not seen anything to suggest HSBC were told about Mr H's gambling in 2013. However, the notes do support what HSBC say about Mrs M calling them in February 2016 to tell them about this. But I've also seen notes that show Mrs M told HSBC Mr H struggled with gambling in November 2015 when they agreed to put a nil marker on the joint account. But whilst I accept late 2015 is the first point at which I can say HSBC had *definitely* been told of Mr H's gambling, I can't fairly say HSBC wouldn't have been aware gambling may have been causing a problem before this date.

I've seen copies of Mr H and Mrs M's bank statements dating back to 2012. These show Mr H and Mrs M's account was being used to pay for gambling transactions from April 2013. At that time their credit balance was high, and remained high, so there was nothing to suggest these transactions were causing any issues for Mr H and Mrs M. But, in 2014 things started to change. From January of that year, the frequency of these gambling transactions increased quite dramatically, and they exceeded £1,000 most days. This resulted in the account first going into an unarranged overdraft in May 2014.

Sums of money were transferred into Mr H and Mrs M's account to bring it back into credit. However, further gambling transactions made their account go overdrawn again in June 2014. And in July 2014, Mrs M called HSBC and asked for a temporary overdraft to be applied to the joint account as they needed funds to cover essential bills. The application wasn't completed as Mr H was unable to complete security checks, so the pattern of transferring funds into the account, and going into unarranged overdrafts continued until late 2016.

The statements have also shown that from December 2014, a significant number of payday loans were deposited in Mr H and Mrs M's joint account. And on occasions, there were multiple loans in a given month – yet despite this, the account still utilised the unarranged overdraft facility.

The information detailed above clearly demonstrates Mr H and Mrs M's finances had markedly deteriorated from mid-2014, and in my view, problem gambling was the primary reason. So, while it's possible HSBC may not have been contacted about Mr H's gambling habits before November 2015, I'm satisfied they had access to enough information to make them aware of the problem. It could be argued that July 2014 was when HSBC ought to have been aware Mr H and Mrs M were experiencing financial difficulties due to gambling. That's because at that time, Mr H and Mrs M attempted to apply for an overdraft to enable them to pay essential bills. But I don't consider that's fair in the circumstances. I say that because of the amount of money Mr H and Mrs M had in their account in 2012 and 2013, and how quickly this amount reduced due to gambling transactions. So, in light of that, I consider HSBC had enough information to identify Mr H and Mrs M may have needed help in May 2014, when their account first became overdrawn.

Mr H and Mrs M maintain HSBC were told Mr H was suffering with a gambling problem in 2013 and believe that is the point support should have been made available to them. But as I've explained, the contact notes (that start from 2013) do not show any calls discussing gambling until November 2015. I appreciate their strength of feeling on the matter and want to assure them I don't consider they've been dishonest with their recollection. But I must weigh up everything provided by both parties to decide what's most likely to have happened. And when reaching a decision, I also need to be fair to both parties. In doing so I don't consider it's reasonable to ignore or place minimal weight on the contact notes from that time. That's why I haven't been persuaded to change my position on using May 2014 as the date HSBC ought to have been aware gambling was affecting Mr H and Mrs M's finances.

Was it reasonable to allow Mr H and Mrs M to have unarranged overdrafts?

As I'm satisfied HSBC ought to have known Mr H and Mrs M were in financial difficulties, the next thing I had to consider is whether it was reasonable for HSBC to allow Mr H and Mrs M to have unarranged overdrafts.

HSBC has maintained it's for their customers to decide how they spend their money. They also explained any support provided was limited by the relevant legislation and regulation at the time – and the expectations on banks has changed considerably over the last six years. While I understand the point HSBC has made, having considered the circumstances of this complaint, I'm not satisfied HSBC acted as we would expect when they allowed Mr H and Mrs M's account to go into unarranged overdrafts from May 2014 onwards.

I agree that the legislation and regulation that applied to banks when making lending decisions has evolved over the time period this complaint covers. However, despite these changes, the spirit of the regulation remained the same. So, throughout the timeframe this complaint concerns, HSBC was always obligated to carry out proportionate checks, ensure the lending was affordable, that repayments were sustainable for Mr H and Mrs M, and to monitor the repayment of the credit. I don't consider those expectations should differ simply because this was an unarranged (rather than an arranged) overdraft.

While overdrafts can be a helpful short-term solution, it's always worth remembering they can become repayable immediately. So, before lending, a bank needs to satisfy itself a customer would be able to do so. Had HSBC met its obligations detailed above, they should have realised unarranged overdrafts weren't suitable for Mr H and Mrs M. I say this because it was clear gambling wins and payday loans were frequently being used to keep Mr H and Mrs M afloat. These are clear indicators that Mr H and Mrs M's financial situation was unsustainable, and this would - and should have highlighted additional borrowing could adversely impact Mr H and Mrs M's financial situation. In my view, allowing Mr H and Mrs M to access funds through an unarranged overdraft was irresponsible.

It's clear HSBC were aware of their obligations. This is because the terms and conditions that applied to Mr H and Mrs M's account over the years clearly explained informal (unarranged) overdrafts requests are considered before they're authorised. I'm not satisfied HSBC did enough to consider the unarranged overdraft requests, and such as I don't agree they should have been authorised.

Mr H and Mrs M say other banks were acting more proactively, at that time, to assist customers struggling with gambling. They've also asked what legislation allowed HSBC "*to do absolutely nothing*" despite being aware of Mr H's gambling.

It's not for me to comment on what other banks may have done had Mr H and Mrs M banked with them at the time. I can only consider the actions that took place, and that is exactly what I addressed in my provisional decision, and again here. I have clearly explained HSBC didn't act in line with the relevant regulations and legislation when it authorised the unarranged overdrafts from May 2014 onwards. There is little more I can add to what I've already explained regarding this point, however, I cannot agree I've said HSBC were allowed to do nothing. For clarity, my decision is that HSBC should have done more before authorising the unarranged overdrafts from May 2014 onwards.

Should HSBC have allowed Mr H to apply for arranged overdrafts?

Between late February 2019 and mid-March 2019, Mr H made nine online applications for overdrafts. The first application was for £300, and then the limit increased with each application until it reached the amount of £4,800. As these applications were made online in respect of a joint account, HSBC didn't obtain Mrs M's consent.

When considering this point, the first thing I needed to determine is whether the lending was affordable for Mr H and Mrs M. To do this, I reviewed the information HSBC obtained during the application process.

In the first application for a £300 overdraft, Mr H said he received an income of just over £900 a month and that his outgoings were £0. HSBC have said this information, alongside the fact they received no other information suggesting Mr H and Mrs M may be a credit risk, meant the application was approved. While I've taken this point on board, I can't say I agree this was appropriate.

Firstly, the application saying Mr H and Mrs M had no outgoings should have rang some alarm bells. I say this because it would be relatively unlikely for an adult to have no outgoings whatsoever – especially when they're asking to borrow money. So, this alone should have prompted HSBC to ask more questions. But if they didn't do this with the first application, HSBC certainly should have identified something wasn't quite right with subsequent eight applications that provided the same income and expenditure information. And if the income and expenditure information was accurate, I consider it's unlikely a customer would need to increase their overdraft so quickly and drastically over a three-week period of time. So again, HSBC should have asked more questions before authorising these applications.

HSBC had a significant amount of information that highlighted there was a strong possibility Mr H and Mrs M could suffer financial hardship due to Mr H's gambling. HSBC may argue they couldn't have known if Mr H was still suffering with his addiction when he made the applications in 2019. But I can't agree with this sentiment because there were multiple gambling transactions made from the account around the time of the overdraft applications. So, even without the history of the account, there was enough account information for HSBC to question whether providing access to borrowing was the right thing for Mr H and Mrs M.

But more importantly, the nil marker applied in 2015 should have made it apparent to HSBC that there was a conflict between both account holders. This means HSBC would have been aware one of the causes of this conflict was gambling. Had HSBC have taken this into consideration, they ought to have realised borrowing shouldn't be approved without the consent of both account holders. Not only is this a pragmatic way to approach a situation like this, HSBC's own terms and conditions say they would need consent from both account holders if they're aware of a conflict. It has been disappointing to see this didn't happen – especially when previous behaviours strongly suggest Mrs M wouldn't have consented to the overdrafts had she known about them at the application stage.

When reaching an outcome, we must consider all the circumstances of the complaint. And given the history of the joint account, I don't consider it was appropriate for HSBC to allow any of Mr H's applications for an arranged overdraft on this account to go through without scrutinising the financial position (and gaining the consent) of both Mr H and Mrs M. Also, I've not seen anything from HSBC that explains why they didn't think additional checks were warranted before authorising the overdraft applications. Without these checks, I can't reasonably say the arranged overdrafts were appropriate or wanted by both Mr H and Mrs M.

All the information we've been provided persuades me that Mrs M wouldn't have willingly given her consent to arranged overdrafts being applied to their joint account if she had been asked at the time. So, had HSBC done what we'd expect them to do in the circumstances, I don't consider the overdrafts would have been applied to the joint account. In addition to this, I'm not persuaded the overdrafts were suitable given the financial information HSBC were provided. So, taking everything into consideration, I can't agree HSBC treated Mr H and Mrs M fairly when they approved the overdraft applications.

Did HSBC provide the level of support we would expect?

There are several ways banks can provide support for their customers, and this isn't limited to referring customers to organisations that may be able to help with any problems they're currently facing. Instead, there are pragmatic steps they can take to ensure they're always treating their customers fairly – amongst other things.

From what we've been provided, and what I've said above, HSBC didn't do enough to support Mr H and Mrs M before and after they were explicitly told about Mr H's gambling.

I've already commented on where HSBC fell short when authorising the arranged and unarranged overdraft applications. So, I won't fully address those points again. But what I wanted to touch on was the amount of lending that was able to be approved on Mr H and Mrs M's joint account without the consent of both of them.

It's not unusual for banks to only require the consent of one party to a joint account when making some changes, such as applying for an overdraft. And that is supported in the terms and conditions that applied to Mr H and Mrs M's accounts. However, the same terms and conditions say HSBC will require the authority from both account holders if they're notified of a dispute.

As mentioned earlier, the contact notes show Mrs M told HSBC about Mr H's gambling addiction in November 2015. So, from this point, HSBC ought to have taken steps to ensure both Mr H and Mrs M agreed to any additional borrowing. As this didn't happen, I'm not satisfied HSBC provided the level of support we'd expect – or that their terms and conditions said they would provide.

Having said that, a nil marker was placed on the joint account in November 2015, and this helped prevent unarranged overdrafts. So, HSBC did the right thing in applying this. However, things fell short at the end of February 2019 when the marker was removed following Mr H's arranged overdraft applications. And I don't consider it was reasonable for this nil marker to be removed without Mrs M's consent.

In February 2019, Mrs M reached out to HSBC for help because Mr H had started gambling again. At this time, she asked to be removed from the account, but HSBC said this couldn't be done without Mr H's consent. I appreciate that in some circumstances it's reasonable and necessary for both account holders to agree to one of them being removed from the account. However, Mrs M was in a difficult situation and it wouldn't have been possible for her to get Mr H's consent at that time.

I can't see that HSBC were fully aware of the extent of the problems Mr H and Mrs M were experiencing at the time. So, it was good to see that they made some attempts to help by agreeing to block Mr H's debit card when Mrs M asked. However, these blocks were able to be removed by Mr H if he visited a branch, and he did so on a number of occasions.

Mr H and Mrs M have been in a difficult situation for a number of years. And to be fair to HSBC, providing support in these situations can come with challenges – particularly given the sensitive nature of the issues. That being said, I do consider HSBC had gathered enough information over the years to know Mr H and Mrs M needed help, especially when Mrs M reached out to them in 2019. So, it was disappointing to see the history of the account wasn't fully taken into consideration at this time. And had they done that, HSBC would have been in a better position to ask the right questions to ensure they provided an appropriate level of support.

I've seen that in March 2019 a repayment plan was put in place to repay the arranged overdraft. HSBC went through an income and expenditure, and it was agreed that Mr H's monthly pension would be used to repay the balance owing.

Mr H and Mrs M adhered to this repayment plan and cleared the overdraft. However, this came with challenges as it meant they needed to heavily rely on their children for their day-to-day living expenses. So, I can see why this would have been very difficult for them.

I also can't ignore what I detailed above about the arranged overdrafts being unsuitable for Mr H and Mrs M. Given the information Mrs M had provided in the lead up to setting up the repayment plan, I am concerned HSBC didn't review their lending decisions at that time. And had they properly done so, they ought to have realised themselves that they played a part in creating the situation Mr H and Mrs M found themselves in.

Did HSBC handle Mr H and Mrs M's subject access request correctly?

In mid-March 2019 Mrs M called HSBC and made a subject access request after finding out there was an arranged overdraft on their joint account. And when doing so, she asked for information dating back to 2013. Mrs M told HSBC she needed this information because she'd been making HSBC aware of Mr H's gambling problem for around seven years, and she needed this information so that she could bring a complaint to our service.

Mr H and Mrs M say that when they received the information, the call recordings provided only dated back to 2018. This raised concerns for Mr H and Mrs M as they felt HSBC had failed to retain sufficient data. So, they made a second subject access request, and HSBC provided information they had retained since the first request had been made.

Investigating this complaint has meant we've been provided with contact notes, copies of letters and call recordings. And given the timeframe that this complaint spans, and the level of contact Mr H and Mrs M have had with HSBC, I've seen that HSBC retained a substantial amount of notes and information about the management of their account. So, I can't fairly say HSBC haven't kept sufficient records of their communication with Mr H and Mrs M.

Having said that, I can't ignore the fact Mr H and Mrs M say they weren't sent copies of call recordings that pre-date 2018. When addressing Mr H and Mrs M's complaint about this, HSBC explained they only keep call recordings for 12 months. It's not uncommon for financial businesses to delete call recordings after that period of time, so I don't consider it's wholly unreasonable HSBC may have struggled to find recordings that dated as far back as 2013. But, if that was the case, it would have been helpful if HSBC had explained this when they completed the subject access request. That's because they were aware of the reason Mr H and Mrs M requested this information.

I also need to place weight on the fact HSBC were able to provide our service with some call recordings that pre-date 2018 when sending us their file. However, it did take some time for some of these call recordings to be provided. Like I mentioned above, I don't consider it unusual for HSBC to have struggled to find recordings of calls that took place over this long period of time. But again, had this been properly explained to Mr H and Mrs M at the earliest opportunity, I consider it may have alleviated some of their concerns about HSBC's level of record keeping.

When Mr H and Mrs M complained about the subject access request, there were a number of calls made between Mrs M and HSBC. And there were occasions when Mrs M asked HSBC to call her to discuss the matter. It was clear Mr H and Mrs M were going through a difficult time and wanted to resolve matters as quickly as possible. It was also clear Mr H and Mrs M needed a lot of information to enable them to understand the situation they had found themselves in. So, when HSBC missed making call backs, this would have had an impact on Mr H and Mrs M.

In my provisional decision I said I was pleased to see HSBC had acknowledged the impact missed call backs would have had on Mr H and Mrs M, and that HSBC had credited £25 to their joint account to recognise this. Mr H and Mrs M say the £25 was offered due to HSBC blocking Mrs M's card, and maintain HSBC caused a great deal of inconvenience and confusion when dealing with the subject access requests.

I don't disagree HSBC could have handled the information request better. But I do place some weight on the volume of records that needed to be reviewed in order to fulfil this request given the information requested dated back to 2013. So, while things could have been better, I won't be asking HSBC to do anything further to put things right in respect of this point. That's because the overall award I'm asking HSBC to pay recognises the impact their mistakes had on Mr H and Mrs M.

Putting things right

I consider HSBC should have done more to help prevent Mr H and Mrs M from experiencing financial difficulties. This is because they had access to enough information that would have indicated Mr H or Mrs M were struggling with gambling – before Mrs M discussed this with them. And once HSBC were aware of this, I also think they should have done more before approving arranged overdrafts on the joint account.

Had HSBC taken steps at the right time, I don't consider they could have prevented all the financial problems Mr H and Mrs M experienced. However, HSBC could have prevented Mr H and Mrs M from frequently utilising arranged and unarranged overdrafts. And had they done that, Mr H and Mrs M wouldn't have needed to find funds to repay the overdrafts, or the interest and charges applied to them. And it's for that reason HSBC should refund the interest, fees and charges applied to overdrawn balances from May 2014 onwards.

Mr H and Mrs M have asked to have all overdrafts amounts refunded to them. While I agree HSBC didn't do what I'd expect, I can't agree it's fair for them to repay the overdraft balances. That's because I must place weight on the fact the overdrafts were utilised. I appreciate these overdrafts helped fund Mr H's gambling habits, but that also means they helped fund any wins from those gambling transactions too. Having reviewed the bank statements from the account, I have seen money was transferred into the joint account from gambling companies. I have to place weight on that evidence, and when doing so, I don't consider it's reasonable not to factor that into the redress I award.

HSBC's delay in supporting Mr H and Mrs M has had a substantial effect on them. That's because they've lost a substantial amount of money, and this matter had been ongoing for a period of around six years before the complaint was brought to our service.

If a customer is facing financial difficulties, we would expect them to let their bank know so that adequate support can be made available. Mrs M did exactly this, and she tried to take steps to prevent the joint account becoming overdrawn. I'm not saying HSBC could and should have stopped all gambling transactions from being authorised. But there certainly was more HSBC should have done to prevent a debt being run up on the joint account.

The pattern of spending, Mrs M telling HSBC about the gambling, and the nil marker all should have alerted HSBC that it may not have been appropriate for arranged overdrafts to be authorised without the consent of both Mr H and Mrs M. But nothing was put in place to help until Mrs M realised an overdraft had already been authorised – and used.

There has been confusion about whether the nil marker dropped off after a year, or when Mr H first applied for an arranged overdraft. But the timing has no bearing on the severity of HSBC's mistake in this case. That's because, in any event, it would have been prudent for HSBC to have alerted Mrs M before the nil marker dropped off given that she hadn't asked for it to be removed. And in not doing that, Mrs M was placed in a situation where she had little to no control over her own finances. This, in turn, meant she was inevitably left questioning whether she could truly trust there was a "back stop" to protect their financial position. And given everything that had happened over the years, this would have been an extremely distressing situation to find herself in. HSBC have argued they can't tell their customers how to spend their money. But in this case, Mr H and Mrs M weren't only spending their own money – it was HSBC's, and money they were obligated to repay.

We've been told that when it came to repay the overdraft, Mr H used all his monthly pension to do so. This left Mr H and Mrs M needing to live frugally and rely heavily on their children for day-to-day living expenses. This would have been incredibly difficult and somewhat humiliating for Mr H and Mrs M. But it's something they went through in order to clear their debt as soon as possible. I appreciate a debt was created due to legitimate spending on the account. However, I cannot reasonably say HSBC weren't part of the problem as they put Mr H and Mrs M in a position where they were able to run up thousands of pounds worth of debt. And this happened when HSBC had plenty of information to allow them to probe before giving Mr H and Mrs M credit.

Mr H and Mrs M say they should be awarded £100,000 in recognition of the impact HSBC's mistakes had on them. I agree Mr H and Mrs M have been through an incredibly difficult time. I also acknowledge that their financial situation has changed dramatically, and HSBC played a part in that. While our service can make awards of that amount, I can't agree that is a fair or reasonable way to resolve this complaint.

I have taken on board all the points Mr H and Mrs M have made when asking me to revise my decision. However, our differences in opinion here come down to the way we interpret the evidence and the weight we place on it. So, while I acknowledge and agree HSBC need to do something to put things right, I've not been persuaded the redress I've awarded needs to be increased to resolve this complaint.

Overall, HSBC's failings exacerbated an already difficult situation. So, to put things right, I still consider HSBC should pay Mr H and Mrs M £2,500 in recognition of the distress and worry their mistakes have made. This amount covers the concerns raised about the lack of support provided by HSBC, and their handling of the subject access requests.

Mr H and Mrs M asked for any redress to be paid to Mrs M's sole account. This is to so that they can more easily control their finances. HSBC have explained their systems aren't able to refund the interest, charges, or fees to a different account. Given this limitation, I consider it's reasonable that the interest, charges and fees are refunded to the Mr H and Mrs M's joint account. However, the £2,500 compensation should be paid into Mrs M's sole account.

Given my explanation above, I'm upholding Mr H and Mrs M complaint.

My final decision

My final decision is that I'm upholding Mr H and Mrs M's complaint about HSBC UK Bank Plc.

To put things right, HSBC should:

- refund interest, charges and fees applied to Mr H and Mrs M's joint account from when it went overdrawn in May 2014, to them bringing their complaint to our service (minus any amounts already refunded). This can be credited to the joint account if HSBC's systems cannot credit the amount to Mrs M's sole account.
- Provide Mr H and Mrs M with a breakdown of how the refund of the interest, charges and fees has been calculated.
- Pay £2,500 in recognition of the worry and stress Mr H and Mrs M experienced due to HSBC's failure to provide adequate support and mistakes in handling the subject access requests. This should be credited to Mrs M's sole account as requested.

Interest at a rate of 8% simple per annum should be added to the refunds of the interest and charges applied to Mr H and Mrs M's overdrawn balances. This should be calculated from the date of loss until the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs M to accept or reject my decision before 29 October 2021.

Sarrah Turay
Ombudsman