

The complaint

Mr C complains about how HSBC UK Bank Plc dealt with his credit card account application.

What happened

Mr C says he was advised by HSBC that he could close his existing credit card account and apply for an upgraded credit card account. He says HSBC ran two credit searches as its systems failed during the application and then rejected his application. Mr C says he was given conflicting information by HSBC about why it made the decision and as a result was without a credit card account for some time. In summary Mr C says the compensation offered by HSBC of £75 is not enough and would like his reinstated account to have the same benefits as the account he applied for.

HSBC accepts it made mistakes and has apologised. It says it has re-instated Mr C's account and will remove the search from his credit file. HSBC has paid £75 compensation and says Mr C can apply for the upgraded account in the future but with no guarantee of approval.

Mr C brought his complaint to us and our investigator upheld it in part. The investigator accepted HSBC had made mistakes but had put Mr C back in the position he was in. The investigator recommended HSBC pay a further £75 compensation but thought it up to HSBC to decide if it offered a different type of account.

HSBC agrees with that view, but Mr C does not. Mr C says in summary HSBC staff don't know its own policies and says the staff members involved ought to be spoken to and re-trained. He would like to know what guarantees there are that HSBC has considered what took place and says the compensation will have little effect on HSBC. Mr C says if he were applying for a mortgage then the consequences could have been more significant.

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 done so I have come to the overall view that HSBC ought to pay a further £75 compensation. I appreciate Mr C will be disappointed by my decision and appreciate how strongly he feels about what took place.

It may be helpful if I explain to Mr C that we are not HSBC's regulator. So, we can't fine or punish a business and it's not our role to direct it as Mr C suggests to retrain or speak to its staff members. I also make clear that we can't interfere in how a business operates and so we can't direct HSBC to offer Mr C the credit card account he would like or direct it to apply those account benefits to his existing account. I find such matters would be for HSBC to decide upon when exercising its commercial judgement. I can only consider what did take place and not the hypothetical scenario Mr C raises.

There is no question here that Mr C was given misleading and incorrect information. I have

no doubt Mr C was caused distress and inconvenience in trying to find out what took place and in applying to re-instate his account. I also accept that Mr C would have spent time checking his credit file and was caused frustration when even HSBC's complaint response letters were conflicting.

I'm satisfied that HSBC has fairly apologised for what took place and can see that it has put Mr C back in the position he was in before the credit card account application. The key issue for me to decide is the level of compensation. I don't think Mr C suffered any direct financial loss but have made clear that he clearly spent some time trying to sort matters out. Overall, I'm satisfied that HSBC should pay £150 compensation which I think is fair and reasonable and in line with the type of awards we make in these circumstances. I appreciate that Mr C may not wish to accept my decision and of course that is a matter for him, but I think this now brings an end to what we in trying to resolve this complaint informally can do. And I hope at least Mr C now appreciates what our role is and which parts of his complaint we can consider.

Putting things right

HSBC should pay a further £75 compensation.

My final decision

My final decision is that I uphold this complaint in part and order HSBC UK Bank Plc to pay Mr C £75 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 10 May 2022.

David Singh
Ombudsman