

The complaint

Mr G complains that HSBC UK Bank Plc (“HSBC”) hasn’t treated him fairly because it applied unfair charges and interest to his account and didn’t request details of reasonable adjustments he required.

What happened

Mr G holds a current account with HSBC.

He says that when he opened the account it had an interest-free overdraft and that he believed this would remain interest-free until it was paid off in full.

Mr G says that charges and interest that had been applied to his account had caused him financial hardship. He said that due to his disabilities he found it difficult to understand the fees and charges on his account.

Mr G made a complaint to HSBC, asking for a breakdown and explanation of all the charges and interest that had been applied. He also wanted HSBC to email him to request a copy of the reasonable adjustments he required. He said he wasn’t able to tell HSBC about the reasonable adjustments he requires using its secure messaging system, because there weren’t enough characters available for him to do so.

HSBC responded to Mr G’s complaint, saying the charges and interest had been applied fairly and in line with the terms and conditions of his account. And although it didn’t think it had acted unfairly, it credited Mr G’s account with £100, as a gesture of goodwill.

Mr G didn’t agree with HSBC’s response, so he referred his complaint to this service. Our investigator considered the complaint and didn’t agree that HSBC had acted fairly. She recommended HSBC take steps to put things right for Mr G. These steps included removing some of the interest and charges that had been applied and reworking the overdraft balance.

HSBC agreed to our investigator’s recommendations, but Mr G did not. So the complaint has now come to me to decide.

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’ve decided to uphold this complaint. I’ll explain why.

I’ve thought carefully about the issues Mr G has faced and how Mr G’s disabilities affect him. Mr G has told us he can get confused about finances as it takes him longer to understand and process things. So I appreciate it must have been frustrating when he was unable to tell HSBC about the reasonable adjustments he requires over its secure messaging system.

I must first point out that it’s not my role to say whether a financial business has acted unlawfully or not – that’s a matter for the courts. My role is to decide what’s fair and

reasonable here. And in order to do that, I've taken a number of things into account, including relevant law, such as the Equality Act 2010. But ultimately, I've reached my decision based on what's fair and reasonable in all the circumstances of this complaint.

HSBC didn't request a copy of Mr G's reasonable adjustments, as he'd asked it to in his secure message. This meant the adjustments Mr G needed were not made and as a result he found it difficult to understand HSBC's correspondence and HSBC also called him without Mr G having received written communication about arranging the call first.

I consider the secure message Mr G sent to HSBC about his reasonable adjustments to have been clear. I also consider it to have been unhelpful for HSBC to then send Mr G a final response letter without first having requested details of the reasonable adjustments he required, or trying to understand Mr G's needs. So I don't consider it acted reasonably here.

However, I can see from the information provided that HSBC later addressed Mr G's request for reasonable adjustments – and offered him £100 as a gesture of goodwill. This amount is fair and reasonable in the circumstances and is in line with what I would have awarded in this case had no offer been made. This is because although HSBC could've addressed Mr G's concerns more promptly, it did then respond to each of Mr G's questions individually. And although HSBC phoned Mr G without him receiving prior warning, I can see that it sent Mr G a text message before the phone call in order to give Mr G some notice before the call was made. It's unfortunate that the text message wasn't received until later, but I don't consider it to have been HSBC's intention to call Mr G unexpectedly or cause him any distress.

In relation to the interest and charges on the account, I should point out that I can only consider the interest and charges that were applied from 30 July 2014 onwards. This is because a separate final decision has been issued by another ombudsman at this service confirming the outcome on charges and interest added to this account prior to that date, and I cannot deviate from that decision or comment further on it.

When HSBC responded to Mr G's complaint, it sent him a summary of the charges and interest separately. Looking at the interest and charges I can consider under this complaint, I can see that Mr G's account was dormant between 30 July 2014 and 7 January 2015, when HSBC carried out a review of the account. At this point, the account had been overdrawn for lengthy periods of time, and no payments were made to bring his account back into credit.

HSBC continued to add interest and charges after reviewing the account, which I don't consider to have been fair. I say this because what HSBC would've seen indicated that Mr G was a customer who wasn't in a strong financial position and needed HSBC to treat him with forbearance. So I would've expected HSBC to treat him positively and sympathetically, offering support and making contact to discuss the account and options available to Mr G from that point on, rather than applying more interest and charges. So I'm going to require HSBC to put things right for Mr G in the following way.

Putting things right

HSBC UK Bank Plc must now:

- Remove all interest and charges that were applied to Mr G's account from 7 January 2015 and rework the balance accordingly.
- If an outstanding balance remains on the account, HSBC must work with Mr G in arranging a suitable repayment plan and adjust any negative information that has been recorded on Mr G's credit file, to reflect the adjustments made.

- If no outstanding balance remains on the account, HSBC must return any credit to Mr G with the addition of 8% simple interest per annum †, from the date the payment was made to the date of settlement.
- Remove any adverse information from Mr G's credit file if no outstanding balance remains after the adjustments have been made.

† HM Revenue & Customs requires HSBC to take off tax from this interest. HSBC must give Mr G a certificate showing how much tax it has taken off if Mr G asks for one.

My final decision

My final decision is that I uphold this complaint and require HSBC to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 17 June 2022.

Ifrah Malik
Ombudsman