

## The complaint

Mr B complains about problems with a loan and credit card after he applied for a payment holiday with HSBC UK Bank Plc.

## What happened

The background to this complaint and my initial conclusions were set out in a provisional decision. I said:

*At the end of March 2020 Mr B called HSBC and asked for support due to the pandemic. A temporary arrangement was agreed for three months and Mr B was advised someone would be in touch to a new payment deferral option in the following 10 days. But HSBC didn't get back to Mr B and his credit card and loan payments were recorded as missed on his credit file.*

*On 30 June 2020 Mr B spoke with HSBC and made a payment of £170 to clear the credit card arrears. Mr B raised a complaint.*

*About two weeks later, Mr B contacted HSBC because it had taken a loan payment. HSBC paid Mr B £50. HSBC paid Mr B another £50 a short time later after it incorrectly closed his complaint. HSBC issued a more comprehensive final response on 29 July 2020 and paid Mr B a further £150 and agreed to amend his credit file.*

*In September 2020 HSBC paid Mr B a further £150 compensation following delays and problems contacting him.*

*There were further delays and problems updating Mr B's credit file. Following lots of follow up discussions with HSBC, it sent Mr B a final response on 12 January 2021 and apologised for the service provided. HSBC paid Mr B a further £200. The total award at this point was £600.*

*Mr B referred his complaint to this service and explained his credit file was still wrong and that he'd received worrying letters and contact from HSBC about the status of his accounts. During the investigation, it came to light that HSBC had only amended Mr B's credit file with one of the three main credit reference agencies. As a result, adverse information remained in place with the remaining two credit reference agencies. In December 2021 HSBC confirmed all the agreed amendments had been made.*

*The investigator upheld Mr B's complaint and said HSBC should remove any arrears, adverse or default information recorded on Mr B's credit file after March 2020. But the investigator thought the compensation HSBC had paid Mr B totalling £600 was fair. Mr B asked to appeal and pointed out the length of time the issues had persisted for. Mr B also explained the situation had been particularly distressing for him as he works in financial services and has to ensure he maintains good credit. Mr B said he didn't think the £600 he'd received up to January 2021 took into account the following delays in correcting his*

*credit file and asked to appeal. As a result, Mr B's case has been passed to me to make a decision.*

### **What I've provisionally 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.*

*I've been reasonably brief in setting out the background above. Our investigator has provided a more detailed version in their findings. And Mr B's response to the investigator relates to the level of compensation and overall impact of the issues raised on him rather than the timeline of his case. I want to assure all parties that I've read and considered everything on file and am fully aware of the circumstances surrounding Mr B's case.*

*On the face of it, HSBC has paid a reasonably large sum of £600 in compensation to Mr B. But, I think it's important to note that HSBC has upheld several separate complaints in this case. So whilst the compensation paid to date may seem substantial, it covers a range of problems Mr B experienced and errors on his credit file. HSBC says those errors have now been fixed and apologised that only one out of three credit reference agencies was updated. I need to decide how to fairly resolve Mr B's case.*

*I think the £600 compensation HSBC paid was fair up to the point it issued its final response on 12 January 2021. It's clear Mr B had to spend a lot of time trying to make sense of what had happened and contacting HSBC. And I think it's reasonable to say that HSBC didn't always seem to grasp the extent of the issues raised or the problems Mr B was experiencing. Further, HSBC has confirmed it failed to correct Mr B's credit file with all the credit reference agencies as promised.*

*It's clear Mr B has had to spend further time and effort trying to resolve the issues raised beyond HSBC's 12 January 2021 final response. Mr B has pointed out he continued to receive contact from HSBC about the position of the accounts in question up to November 2021. In addition, HSBC took nearly a year longer to remove adverse information from Mr B's credit file than agreed. And given the nature of Mr B's profession, I can understand why delays correcting his credit file were particularly concerning. I'm satisfied the way HSBC handled Mr B's accounts and queries unfairly lengthened the time it's taken to resolve matters and caused him additional distress and inconvenience that isn't reflected in the £600 it's paid to date.*

*As a result, I intend to increase the compensation for the distress and inconvenience caused to Mr B. In my view, a further payment of £350 fairly reflects the additional trouble and upset caused to Mr B as set out above.*

*I invited both parties to respond with any additional comments they wanted me to consider before I made my final decision. Both parties responded to confirm they're willing to accept and proceed in line with the provisional decision.*

### **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.*

*As no parties have provided new information for me to consider I see no reason to change the conclusions I reached in my provisional decision. I still think Mr B's complaint should be upheld, for the same reasons.*

### **My final decision**

My decision is that I uphold Mr B's complaint and direct HSBC UK Bank Plc to settle as follows:

- If it hasn't done so already, ensure no missed payments, arrangements, defaults or other adverse credit are recorded on Mr B's credit file in relation to the credit card and loan from March 2020 to date
- Pay Mr B a further £350 (taking the total award to £950) for the distress and inconvenience caused

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 24 March 2022.

Marco Manente  
**Ombudsman**