

## **The complaint**

Mr H is unhappy that HSBC UK Bank Plc (“HSBC”) allowed him to go above his approved overdraft limit when he had informed it of a gambling addiction.

## **What happened**

Mr H had an overdraft facility with HSBC with a formal limit of £200. At times HSBC allowed payments out of Mr H's account which put him above this limit. In June 2020 Mr H informed HSBC that he had a gambling addiction and it placed a gambling restriction on his card.

Following this for reasons that are unclear Mr H was able to exceed his overdraft limit by £500 and by July was around £700 overdrawn. HSBC received an account switch out request on 1 September but because of the overdrawn amount HSBC wasn't able to close Mr H's account until it was repaid.

In January 2021 Mr H agreed to pay back £100 a month to repay the outstanding balance.

Mr H complained to HSBC about the service he had received, how it handled the repayment of the overdraft and that his credit file has been impacted by the actions of HSBC. HSBC says that no errors were made but confirmed Mr H wasn't charged any interest or overdraft fees between April and September and that all other fees were refunded. HSBC also compensated Mr H £225 for the service he had received but said it was unable to amend his credit file as there had been no bank error.

One of our adjudicators looked at Mr H's complaint and thought that HSBC had dealt with his complaint fairly and didn't think it needed to do anything further and so Mr H has asked for an ombudsman's 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.

Having considered everything provided, I've decided not to uphold Mr H's complaint. I'll explain why in a little more detail.

Where a business accepts (or we decide) it did something wrong, we'd expect the business to put the consumer in the position they would be in if that wrong hadn't taken place. And in an ideal world, we'd tell a business to put a consumer in the position they'd now be in if they hadn't been charged the fees and given the credit they shouldn't have and we may award modest compensation for any distress and inconvenience caused.

So where a business provides a consumer with a credit facility which it shouldn't have we'd typically expect it to put the consumer in the position they'd be in now if they hadn't paid any interest and charges on that credit. This means we'd normally expect a lender to refund the interest and charges added to any credit from the point the lender ought to have realised the credit was wrongly provided.

HSBC has already done this as well as awarding Mr H £225 in compensation for the service he received which I think is fair and reasonable in the circumstances. Mr H might feel that HSBC should write off his overdraft debt as he shouldn't have been allowed over his agreed limit but ultimately Mr H used the funds and was made aware he was over his limit and HSBC is entitled to recoup its losses.

I understand Mr H is unhappy about negative information being reported on his credit file and would like this information removed. But HSBC does have a duty to make sure the information it reports on its customers affairs to the credit reference agencies it subscribes to is factually accurate and HSBC has confirmed no error has been made in the information reported about how Mr H managed his account and the repayment of his overdraft.

Mr H might be interested to know that he can place a 'Notice of Correction' on his credit records. The purpose of such a notice is to allow someone the opportunity to add any explanatory circumstances that he would like prospective lenders to take into consideration when making lending decisions. If he wishes to do this, he should contact the credit reference agencies directly.

So, bearing all this in mind, I'm satisfied that what HSBC has already done for Mr H is fair and reasonable in all the circumstances of this case and I'm not requiring it to do anything more.

### **My final decision**

For the reasons I've explained, I'm satisfied that what HSBC UK Bank Plc has already done is fair and reasonable in the circumstances of this case. So I'm not requiring it to do anything more.

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

Caroline Davies  
**Ombudsman**