

The complaint

Ms H complains about what she sees as service failures on the part of HSBC UK Bank Plc and about the way in which it has dealt with her financial difficulties. Specifically, she says:

- She did not have access to online banking, so could not see messages from HSBC.
- Charges and interest were applied to her current and credit card accounts, even though she had no income.
- The bank refused to extend her agreed overdraft.
- She had no access to her account so could not pay standing orders.

What happened

Mrs H had a credit card and current account with HSBC. The current account was overdrawn, and she had a balance of just over £4,500 on her credit card when, in about July 2019, her income ceased.

Mrs H says that she was unable at that time to access her accounts online. She could not therefore operate her accounts or properly monitor them. In addition, she was unable to see messages about her account from HSBC – even though she received emails alerting her to those messages. Those messages included information about how to access the accounts.

Mrs H attended a branch in August 2019 to discuss matters. At that meeting, she handed in a letter expressing her concerns. HSBC acknowledges that that letter and a further handwritten communication should have been acted on but were not. It apologised and offered Ms H £100 as a gesture of goodwill.

HSBC would not agree to Ms H's request that it extend her overdraft facility. It said too that any payments into her account would be used to reduce the overdraft. Ms H stopped using her accounts from about August 2019.

Ms H also said that interest and charges on her credit card account should be suspended. Ultimately, she believes that HSBC should have written off her debts. Instead, it passed her accounts to a debt collection agency which is pursuing her for payment.

Ms H referred the matter to this service, where one of our investigators considered what had happened. He did not believe however that HSBC had treated Ms H unfairly. Ms H did not accept his assessment, however, and asked that an ombudsman review the 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.

As the investigator explained, this service was established to seek to resolve complaints quickly and informally. So, whilst Ms H has made a number of points and submitted many documents in support of her case, I have tried to focus on what I consider to be the main

issues. I can assure her and the bank however that I have considered very carefully all the evidence and arguments here.

I can understand that it would have been frustrating for Ms H when she was unable to access her accounts online. That frustration would no doubt have been compounded when she received emails from HSBC referring to messages that she was unable to access. However, I note that she stopped using her accounts from about August 2019. From that time, her primary dealings with the bank and her accounts concerned the overdraft and credit card debt – rather than, for example, day-to-day account operations. I am not persuaded therefore that any actual financial loss resulted. And I note as well that Ms H was able to contact the bank in other ways and was given a range of options of how to do so.

Ms H asked that communication with HSBC be in writing only. She has described her request as an “instruction” rather than a preference – which I take to mean that she thinks the bank was obliged to do as she asked. Generally, I would expect a bank to take account of a customer’s requests about how it should communicate, but I don’t believe it was unreasonable in this case of HSBC to provide Ms H with other options for addressing her outstanding debts – for example, with telephone help lines.

In any event, I think that HSBC did clearly communicate its position to Ms H. She knew that it was not prepared to extend her overdraft facility. It acknowledges that it should have responded to her handwritten letters, but I do not believe that its failure to do so caused any actual financial loss.

HSBC was in my view within its rights to decline further overdraft facilities to Ms H. It is generally for banks to decide whether or not to lend or to continue to lend to any particular customer. Given that Ms H was unable to say how she would repay any increased debt, it was not unreasonable of HSBC to decline her request.

Banks and other lenders should generally work with customers who are suffering financial difficulty to find a workable solution. That might involve debt forgiveness, payment plans and suspension of interest and charges. In my view, the bank did seek to work with Ms H in this case to find a solution. It appears that most of her credit card debt was interest-free in any event, and no interest was charged once the interest-free period came to an end. No charges were levied either, even though the account was over its credit limit and payments were not being made.

Much of Ms H’s complaint concerns the way in which HSBC responded when addressing her complaint. As the investigator explained though, the handling of complaints is not, of itself, an activity which this service can investigate. It may be an activity which is ancillary to the provision of financial services giving rise to a complaint, but much of Ms H’s complaint is about the handling of the complaint itself.

As I have indicated, I have gone into rather less detail than Ms H may have wished, but that is in line with the nature of an ombudsman service. Overall, however, I am satisfied that HSBC’s response to Ms H’s various complaint points was reasonable in the circumstances.

My final decision

For these reasons, my final decision is that I do not require HSBC Bank UK Plc to take any further steps to resolve Ms H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 1 August 2022.

Mike Ingram
Ombudsman