

The complaint

Miss G has complained that HSBC Bank UK Plc reported inaccurate information about her account to the credit reference agencies, and that there were significant delays in correcting this information.

What happened

Miss G held a current account with HSBC that had an overdrawn balance, in 2018 she went over her arranged limit and when she didn't repay the outstanding balance her account was defaulted in September 2018. In October 2018 Miss G repaid the full outstanding balance of her account.

In June 2021 Miss G was in the process of applying for a mortgage when she realised that her credit file was still showing an outstanding balance on her HSBC account, so she contacted HSBC to ask that this be corrected. HSBC agreed that the information recorded on her credit file needed to be changed to show that the debt had been settled in October 2018, and paid Miss G £60 to recognise the impact of this error, but it then took until September 2021 for HSBC to arrange for this to be updated.

Since Miss G referred her complaint to us HSBC has made an offer to pay her a further £150 to recognise that there was a delay in updating her credit file with the correct information. Miss G does not feel this is enough to recognise the impact of what has happened on her. She says that the incorrect information caused serious issues for her mortgage application and house purchase, resulting in her being essentially homeless for a period of time and having to pay to store her possessions.

One of our adjudicators looked at what had happened, and ultimately felt that what HSBC has now offered to do is fair in the circumstances, but Miss G didn't agree, so her complaint was passed to me for a final 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 done so, I'm not going to tell HSBC to do anything further to resolve the matter and I've explained why below.

It isn't disputed that HSBC made an error in reporting that a debt was still outstanding on Miss G's account, or that there was a delay in correcting this information once Miss G advised HSBC of the issue. So, I don't need to consider what went wrong here. I need to determine if the total compensation awarded to Miss G is sufficient when considering the impact this issue has caused.

I acknowledge that the initial error, and the delay in correcting it, will have caused Miss G some inconvenience and distress. But while I appreciate that Miss G believes it is this issue alone that caused the problems with her mortgage

application and house purchase, I've not seen any evidence to support that this is the case. And any number of things, including not just Miss G's circumstances but also the circumstances of anyone else she may have been applying for the mortgage with, details of the particular property she was buying, or the overall financial markets at the time, could all have impacted her mortgage application and house purchase. So without any evidence to show how the information about this account on her credit file specifically affected things, it's difficult for me to make a finding that HSBC is solely responsible for any issues she had.

I appreciate that compensation can be subjective and what may be enough for one person might not feel right for another. But having carefully considered everything available to me, I think the £210 already offered (£60 of which has already been paid) is reasonable in the circumstances and I don't think HSBC should award anything further.

My final decision

For the reasons I've given, I am upholding Miss G's complaint against HSBC Bank UK Plc but I don't think it needs to do more than it has already offered to do.

HSBC Bank UK Plc should now pay Miss G the additional £150 it has offered to her, if it has not done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 13 July 2022.

Sophie Mitchell
Ombudsman