

The complaint and background

Mr S has complained that HSBC UK Bank Plc allowed his account to go overdrawn when he didn't have an arranged overdraft. Mr S says he was suffering with a gambling addiction and that HSBC should never have allowed the transactions he made to go through. As a result of his account going in an unarranged overdraft limit, Mr S's credit file has been affected. Mr S would like his credit file to be amended, the gambling transactions he made to be refunded to him, and compensation for the distress he has been caused.

HSBC looked at Mr S's complaint but didn't agree it had done anything wrong. It said that it took action to assist Mr S as soon as it was told of his gambling problems, and that it also took steps to help him repay his unarranged overdraft in an affordable way, but that it could not refund or reverse the gambling transactions as those transactions had been authorised by Mr S.

One of our adjudicators looked at Mr S's complaint. She said that HSBC had acted fairly. Mr S disagreed so the case has been passed to me.

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'm not upholding Mr S's complaint. I'll explain the reasons for my decision.

I've seen HSBC's notes of its contact with Mr S, and those notes show that Mr S first made HSBC aware of his issues with gambling in an email sent to HSBC on 28 April 2021. In this email Mr S explained that he had made around £500 of payments to a betting account and that he felt HSBC should have stopped him doing this. Mr S asked for the payments to be reversed. HSBC didn't receive Mr S's email until late in the day on 28 April, and so responded the next day, 29 April. In its response to Mr S HSBC explained that there were various ways it could help him to prevent any further gambling transactions from being allowed, but that it couldn't reverse the pending transactions he had already made. HSBC also offered Mr S the assistance of its Specialist Support Team.

Over the following months I can see that HSBC then suspended interest from being applied to Mr S' overdrawn balance, discussed his income and expenditure with him, and agreed repayment plans with Mr S to help him reduce the outstanding balance. And, ultimately, Mr S was able to repay his unarranged overdraft.

I appreciate that Mr S feels he should never have been allowed to make the payments that took him into an unarranged overdraft, but HSBC clearly sets out in its terms and conditions that it will allow an account to go into an unarranged overdraft for some payments, and that it can't cancel payments that have been made online or using a debit card. And Mr S does have a responsibility to ensure that he has funds available to cover any payment he is making out of his account.

I might expect HSBC to have stepped in to stop further gambling transactions on Mr S's account if there was a clear and sustained pattern of problem gambling evident in how he was using his account. But I don't think that is the case here. Looking at Mr S's statements I can see that he didn't begin regularly gambling on his account until the middle of April 2021, and the transactions that took him into an unarranged overdraft were only around two weeks later. So in the absence of any contact from Mr S to say he needed help with gambling – and as I've explained above I'm satisfied he didn't make contact until 28 April 2021 - I don't think there was enough to trigger HSBC to proactively stop the transactions from being made.

Looking at everything that happened here, I don't think that HSBC has acted unfairly. Once it was aware of Mr S's gambling issues it took steps to assist him with advice about how to prevent him from making similar transactions in future, and to help him with the affordable repayment of the outstanding balance of his account.

I do sympathise with what Mr S has told us, and I understand why he's unhappy with adverse information being recorded on his credit file. But a credit file is intended to show a true and accurate reflection of a borrower's ability to service their debts, and Mr S was not able to repay the outstanding balance of his account immediately, so I think it is reasonable for HSBC to have taken steps to make sure that was noted on his credit file.

Bearing in mind the above, I don't think that HSBC treated Mr S unfairly or unreasonably. And this means that I'm not upholding this complaint.

I appreciate that this will be very disappointing for Mr S. But I hope he'll understand the reasons for my decision.

My final decision

For the reasons I've explained, I'm not upholding Mr S's complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 16 June 2022.

Sophie Mitchell
Ombudsman