

The complaint

Mr H is unhappy about the service he received from HSBC UK Bank Plc (“HSBC”) regarding his overdraft facility.

What happened

Mr H held an account with HSBC. On the 6 November 2021 he received a letter which outlined the details of his overdraft. It stated that his arranged overdraft limit was £1,000 but then went on to say his account had an interest free overdraft amount of £2,000. Following the letter Mr H went on to spend over his arranged overdraft limit of £1,000 and received a number of calls about this.

Mr H complained to HSBC that its letter was confusing and led him to believe he had an overdraft limit higher than what was agreed and that he was being harassed by phone calls from its collections team. HSBC said it hadn’t identified any bank error with the letter or overdraft limit but acknowledged his concern about the service he had received over the phone in that he’d been given conflicting information regarding whether a complaint had been raised and paid Mr H £50 compensation for this.

Mr H was dis-satisfied with this and brought his complaint to this service. One of our adjudicators looked into Mr H’s concerns and reached the conclusion that HSBC had caused some confusion with its correspondence but didn’t think it had caused major detriment and thought the £50 compensation was a fair way to settle the complaint. Mr H disagreed and has asked for an ombudsman’s decision.

I issued my provisional decision on 12 May 2022. In my provisional decision I explained why I was proposing to uphold Mr H’s complaint.

I invited both parties to let me have any further submissions before I reached a final decision. Both parties have responded but neither HSBC or Mr H have added any further information that wasn’t already considered.

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.

In my provisional decision I said that:

“My role is to look at the problems Mr H has experienced and see if HSBC has done anything wrong. If it has, I would seek – if possible - to put Mr H back in the position he would’ve been in if the mistakes hadn’t happened. And I may award modest compensation that I think is fair and reasonable.

HSBC has already acknowledged that its service wasn’t as good as it should’ve been and awarded Mr H £50 compensation. But having looked at the letter of the 6 November and listened to the call recordings provided I don’t think this is enough.

The letter in question does say “Your current arranged overdraft limit is £1,000”. But directly under this it says “Your account has an interest free overdraft amount of £2,000”. And based on this Mr H believed his limit was more than the arranged limit of £1,000 and went over his limit. HSBC say that an application would be needed to be completed in order for it to offer a limit of £2,000. But I can’t see that it says this on the letter. Indeed, even HSBC’s own advisors were confused by the letter in the call recording I listened to about what was happening with Mr H’s account and overdraft limit. I accept that Mr H could’ve called HSBC up to confirm his overdraft limit – but I don’t think he should have to, the information I expect HSBC to give should be clear and not misleading. So I think it’s likely Mr H was mis-lead by the wording of HSBC’s letter which I think led to Mr H spending over his limit resulting in numerous calls from HSBC’s collections department and Mr H raising his complaint.

HSBC says it only called Mr H three times in January, but Mr H has provided screen shots of the calls he received from HSBC – and while I acknowledge many might have been missed calls – the amount of calls shown on his log are much in excess of this. I can see why this may have made Mr H feel harassed and anxious and caused undue stress.

On listening to another call between Mr H and HSBC there is further confusion on whether Mr H’s complaint was open or closed and it seems to me an inability to give Mr H a straight forward answer on anything.

So overall and having considered everything although HSBC has already paid Mr H £50 compensation I don’t think this is enough and I am currently minded to direct HSBC to pay a further £100 to Mr H for the distress and inconvenience caused by the conflicting information Mr H was given.”

As neither party has provided any further information not already considered, I see no reason to depart from the conclusions set out in my provisional decision. It follows that I uphold this complaint.

My final decision

For the reasons I've explained I uphold Mr H's complaint against HSBC UK Bank Plc and direct it pay a further £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 6 July 2022.

Caroline Davies
Ombudsman