

The complaint

Mr and Mrs D complain HSBC UK Bank Plc provided them with incorrect information when they were looking to make a lump sum reduction to their mortgage; and didn't action their instructions to cancel future overpayments.

What happened

Mr and Mrs D contacted HSBC in July 2021 to make a lump sum reduction of £15,000 to their mortgage. They say they also asked to cancel the overpayments they'd been making due to a change in their circumstances.

HSBC has said Mr and Mrs D were initially provided with incorrect information during a call about the lump sum reduction; but this was corrected when the call was transferred to another colleague. It has said that two months' direct debits including the overpayments were incorrectly collected. HSBC offered to return the overpayments to Mr and Mrs D and pay £150 to reflect the distress and inconvenience caused.

Our investigator reviewed the complaint and considered HSBC's offer to put things right was fair. He said HSBC had acknowledged the errors it had made, and had looked to put Mr and Mrs D back in the financial position they would have been in had the errors not occurred (he noted that Mr and Mrs D hadn't accepted the return of the overpayment amounts as they didn't want their mortgage balance to increase). He said he felt £150 was a fair offer for the distress and inconvenience caused.

Mr and Mrs D disagreed. In summary, they said they were put under a lot of additional pressure because of HSBC's errors at a time that was already stressful due to their personal and financial circumstances.

I recently contacted both parties setting out why I considered HSBC's offer to refund the two overpayments incorrectly collected – and increase Mr and Mrs D's mortgage balance to reflect this refund – was fair. But I considered its offer of £150 to reflect the distress and inconvenience caused because of the errors should be increased to £300.

I said this because:

- HSBC was aware of the change in Mr and Mrs D's personal and financial circumstances which had been the reason to cancel the overpayments and reduce their monthly commitments;
- HSBC took two further months' worth of overpayments before Mr and Mrs D made it aware of the error and it looked to resolve the issue; and
- Mr and Mrs D made HSBC aware of the impact the error had on them, at a time that they had said was already very stressful for them.

HSBC agreed to offer £300. Mr and Mrs D didn't agree with what I'd proposed. In summary, they said:

- HSBC's representatives gave wrong and misleading information and no information has

been given about training for staff – and that one HSBC representative had said to Mr and Mrs D that this wasn't necessary; and

- £300 doesn't fairly reflect the error of HSBC continuing to take two months' worth of overpayments and the distress and inconvenience this caused them at an already stressful time.

Mr and Mrs D also provided further details of Mr D's recent health.

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.

And having done so, I see no reason to depart from the findings I recently informed both parties of.

HSBC has said that although Mr and Mrs D were provided with incorrect information during the call in July 2021, this was corrected when the call was transferred to a colleague. As such, I consider the wrong information was corrected quickly. So, while I accept this would have been frustrating for Mr and Mrs D, they haven't been disadvantaged by the incorrect information.

HSBC confirmed within its final response that the call had been listened to and feedback had been provided to that individual. It also confirmed all representatives are provided with extensive training and undergo ongoing coaching. So, I consider HSBC has taken appropriate action in line with what I would expect it to do here.

HSBC's offer to refund the overpayments incorrectly collected would put Mr and Mrs D back in the position they would have been in had the error not occurred; ensuring no financial loss. Mr and Mrs D have declined this offer as they've said they don't want their mortgage balance to increase; and as such they are now benefiting from lower interest payments as a result. I'm satisfied HSBC has fairly looked to ensure Mr and Mrs D haven't suffered a financial loss as a result of the error.

I've gone on to consider the non-financial loss Mr and Mrs D say they've suffered. I've carefully considered the testimony they've provided throughout the complaint, including in response to my recent correspondence. I want to assure Mr and Mrs D that I'm in no way playing down what they have gone through because of this error. I accept this made an already stressful time worse and I've taken that into account when making my decision.

However, HSBC wasn't responsible for Mr and Mrs D's already difficult financial situation; or Mr D's health. It wasn't until two months' worth of overpayments were collected before Mr and Mrs D contacted HSBC to make them aware of the error. I consider it likely had they made HSBC aware of the error after the first overpayment had been incorrectly taken, it would have resolved the situation at that time without a further overpayment being collected.

So, while I accept the error worsened Mr and Mrs D's situation, and that they had other priorities to contend with; they notified HSBC when they became aware of the error and it looked to put things right as soon as it was made aware, mitigating the impact this caused.

I'm therefore satisfied that a total award of £300 fairly reflects the increased impact and distress and inconvenience this error caused Mr and Mrs D.

Putting things right

HSBC should pay Mr and Mrs D £300 in recognition of the distress and inconvenience its error caused.

HSBC has confirmed its offer to refund the overpayments is still available to Mr and Mrs D should they now wish to accept it. If they would, they should contact HSBC directly to arrange this.

My final decision

For the reasons set out above, and in my recent correspondence, I'm upholding Mr and Mrs D's complaint about HSBC UK Bank Plc and it should pay them £300 for the distress and inconvenience they've been caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs D to accept or reject my decision before 19 August 2022.

Richard Turner
Ombudsman