

## **The complaint**

Mr C complains that HSBC UK Bank plc (HSBC) didn't advise him that applying a breathing space to his account would affect his credit file. He would like his credit file amended and compensation for the distress and inconvenience.

## **What happened**

The details of this complaint are well known to both parties so I won't repeat them again here. Instead, I will focus on giving the reasons for my 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 have reached the following conclusions:-

- I appreciate the difficult personal circumstances Mr C had in 2022. But I can't agree that HSBC didn't make him aware of the excess on his account. It has evidenced it wrote to him several times from March to May 2022. It also called him in April 2022 to discuss the account and again in May 2022 as Mr C didn't, as agreed, return the April phone call as it hadn't been convenient for him to talk at that time. I appreciate Mr C has told us he moved out of his house. But I understand he had weekly access to his mail and online access to his account. So, I do believe the information was provided for Mr C to be aware of the issue with his account.
- I also can't agree that HSBC didn't make Mr C aware that applying a breathing space to his account would impact on his credit file. From what I have seen that was made clear to him in a phone call in May 2022 and in a letter sent the same month.
- I can't see any evidence that HSBC advised Mr C of alternatives to a breathing space but from the phone call in May 2022 there was no indication Mr C was able to pay off his arrears, so a breathing space seems a sensible option to me. Mr C has since told us that he had funds in other accounts he could have used to pay off the excess on his account. But if that were the case I don't know why he didn't offer that at the time. Consumers do have some responsibility to manage their accounts and if other funds were readily available that would seem a potential solution to the issue he had. I don't think that HSBC were at fault in not looking at alternatives. The impact on Mr C's credit file was made clear to him and in the phone call he seemed to understand and accept that. And the way in which he described his financial situation didn't seem to allude to other funds being readily available.
- I do appreciate the impact on Mr C's credit file, but I think he entered a breathing space arrangement knowing this. It's important that credit files accurately reflect account history, so I don't feel I have any grounds to ask HSBC to alter Mr C's credit file.
- I also don't feel I have any grounds to ask HSBC to compensate Mr C. I think HSBC

treated Mr C fairly. It advised him of issues on his account , contacted him to discuss this and agreed a solution that seemed to suit Mr C's circumstances based on what Mr C told with HSBC.

**My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 8 February 2023.

Bridget Makins  
**Ombudsman**