

The complaint

L complains that HSBC UK Bank PLC has mishandled its requests to amend the cardholders for a charge card it held with the bank.

What happened

L is a small limited company which has a charge card account with HSBC. The company had three directors who each held a charge card in their name. Following changes to two of the directors, one resigning in 2018 and another sadly passing away in 2020, the company sought to have the cardholder names changed to the existing directors.

L says it has made numerous phone calls to HSBC asking that two of the named cardholders be removed, and new cards be issued in the names of the two directors that were subsequently appointed. But it says that HSBC has failed to take action.

L says on top of the calls it also made contact via emails in April and November 2021.

In April 2022 one of the directors of L made a complaint to HSBC about its failure to amend the cardholder names as requested. HSBC didn't uphold the complaint as it said it had never received any information seeking amendments to the details for this account.

L was unhappy at HSBC's response and a complaint was made to this service by one of the directors on its behalf. Our investigator recommended that the complaint should be upheld. He said that although L wasn't able to provide proof of the phone calls to HSBC it had provided proof of contact with the bank via emails in both April and October 2021. And he was satisfied that HSBC had made mistakes in the way it handled this account as it should have both removed the two named cardholders and issued two new cards in the new directors' names in accordance with L's requests.

Our investigator said it would be fair for HSBC to remove the two cardholders as had been requested and to issue new cards in the names provided for the current directors. He said HSBC should also refund the charges imposed for the charge card in the name of the director who had resigned from April 2021 and from October 2020 for the charge card in the name of the director who had passed away.

L agreed with our investigator's view, but HSBC has failed to respond.

As the parties have been unable to reach an agreement the complaint 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.

I've seen that not having the charge cards in the correct names has caused L's directors' inconvenience. It has also been distressing having to deal with an account in the name of a director who has died as it is a family business. However, I'm not able to consider if

compensation is appropriate for distress and inconvenience as I would if the complaint had been brought by an individual. That is because the complaint has been brought by a business rather than a person and a business isn't considered as an entity that can experience distress and inconvenience.

HSBC says that it hasn't made an error because no requests were received from L to amend the cardholders. L says that multiple efforts were made to have these changes made particularly as it made it more awkward for the current directors. I think in these circumstances, which included the death of one of the directors, that it is more likely than not that L would have sought, via its current directors, to get the position about the named cardholders rectified.

While I understand L can't provide proof of the calls it made, it has sent in evidence that in April 2021 a request for a new business debit card was received by HSBC who in response issued an automated reply providing a code for the downloading of a form that needed to be printed, completed, signed and returned.

L has also provided email correspondence from November 2021 which is between one of the directors and a Relationship Manager for HSBC. In this correspondence the Relationship Manager apologises that the bank hasn't updated L's account correctly. They request that the director completes a new mandate for the business via a link. The director responds that they had already completed this form and no action was taken but will do so again. This action is then corroborated by an automated response from HSBC providing a code to use to access the form.

While I appreciate the email evidence isn't absolute proof the forms were correctly completed, I think it does contradict what HSBC has said that no requests as to amending the information on this account had been received. So, I'm satisfied that from at least April 2021 L had requested the changes in respect of the cardholders for the charge card and that HSBC failed to act on those instructions.

I also understand that each of the charge cards issued by HSBC has an annual fee applied. I think it would be fair for the fees imposed on two of these charge cards to be refunded to L since they were in the wrong names and so unusable. I think that for one of the cards these fees should be refunded from April 2021, but for the card in the name of the director who is deceased, that reimbursement should be backdated to October 2020, being the date they had passed away.

For the reasons given above, I'm upholding L's complaint.

Putting things right

I'm asking HSBC to do the following:

- Remove the two named cardholders as requested.
- Reimburse the card fees charged on one card from April 2021 until the date of settlement.
- Reimburse the card fees charged on the second card from October 2020 until the date of settlement.

Our investigator had also requested that HSBC provide charge cards in the names of the current directors, but I understand L doesn't require this, so I haven't added this part to the settlement.

My final decision

For the reasons set out above, I'm upholding L's complaint. I'm asking HSBC UK Bank Plc to do the following:

- Remove the two named cardholders as requested.
- Reimburse the card fees charged on one card from April 2021 until the date of settlement.
- Reimburse the card fees charged on the second card from October 2020 until the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask L to accept or reject my decision before 31 January 2023.

Jocelyn Griffith
Ombudsman