

## **The complaint**

Miss B complains that an HSBC UK Bank Plc mistake led to her credit card being closed.

## **What happened**

Miss B was living abroad, and, in March 2021, she contacted HSBC as her debit and credit cards had expired.

With regards to Miss B's debit card, HSBC made a dispatching mistake in March 2021. Whilst this mistake is subject to a separate complaint, Miss B says the timing of the mistake had an impact on her credit card account. She says this is because it had a significant impact on her health and meant she was unable to work.

Miss B's credit card was reported as lost or stolen and the account disappeared from her online banking. Miss B also hadn't received paper statements and she says this, together with her health issues, caused her to miss payments.

Miss B contacted HSBC in July 2021 as her credit card had still not arrived. Also, she had been informed of missed payments and needed to query why her account still wasn't showing on-line. At this time, Miss B was finding it difficult to make payments and, as she had fallen into arrears, HSBC completed an income and expenditure review. HSBC were unable to agree an arrangement and suggested Miss B speak with their specialist support team.

However, Miss B raised a complaint as she didn't think the arrears on the account were her fault. This is because of a combination of HSBC's debit card mistake and her inability to view her account online.

To help with Miss B's arrears, HSBC agreed to suppress all interest and charges for 60 days and, as she hadn't been able to view her account on-line from April to July 2021, they also agreed to amend her credit file.

In August 2021, HSBC informed Miss B that she wouldn't be receiving a new credit card. This was because of the position of her account. HSBC apologised for not having communicated this earlier and offered Miss B £50 compensation. HSBC also said that they would be closing Miss B's account and she still needed to pay the arrears of £113.29 and the outstanding balance of £711.73. They explained this was because Miss B had missed 20 of the previous 24 months payments.

Miss B complained to our service. HSBC subsequently increased their compensation from £50 to £200 and our investigator thought this was both reasonable and proportionate given the circumstances.

Miss B considers this to be an inadequate amount of compensation and this case has therefore been referred to me to look at.

## **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, for the following reasons, I have come to the view that I agree with the investigator. I appreciate Miss B feels strongly that the compensation provided is inadequate for the distress and inconvenience caused and will be disappointed by my decision.

There is evidence on file that shows HSBC had legitimate concerns about Miss B's account prior to March 2021 and their subsequent suspension and closure actions were due to a significant number of missed payments over a two-year period. They were also in line with the terms and conditions of the account.

Also, for the majority of payments due, HSBC provided Miss B with both written and electronic statements and informed her of the missed payments. Also, Miss B had a redirection arrangement in place. So, whilst I recognise there were short periods of time where there were no statements, I can't hold HSBC responsible for postal issues and inconsistent missed payments. And as mentioned above, Miss B missed a number of payments which led to the credit card being suspended before the March 2021 debit card error. So, I'm satisfied that HSBC's suspension, closure, and credit reference agency reporting actions were both fair and reasonable.

However, it's not in dispute that HSBC made communication errors about Miss B's card, account number and on-line accessibility. It is unfortunate that these communication errors coincided with Miss B being unwell and with HSBC's debit card error which has been addressed in a separate complaint.

I'm very sorry to hear about Miss B's ill-health, need to return to the UK and inability to work. However, although I think HSBC should've provided better joined up support, there is insufficient evidence to show that HSBC are directly responsible for the unfortunate events and circumstances Miss B describes in her submissions. So, whilst I'm sympathetic to Miss B's situation, I don't think it would be fair to ask HSBC to pay an additional amount of compensation to cover Miss B's health treatment, loss of earnings, travel costs or reputational damage.

I also looked at whether HSBC acted unreasonably when they contacted Miss B about her arrears. There were several very long calls in which she was kept on hold and the recording confirms a lack of clarity and sensitivity. In one call, insensitive language was used about Miss B's mental health and, whilst it sounded unintentional, I can understand why this upset Miss B. However, I couldn't find any evidence of HSBC staff harassing Miss B.

## **Putting things right**

I have no doubt that this was an extremely difficult period for Miss B. But considering all of the above and information from both sides, I think HSBC's £200 compensation offer is a fair and reasonable amount of compensation for communication errors that caused Miss B distress and inconvenience.

## **My final decision**

HSBC UK Bank Plc has already made an offer to pay Miss B £200 to settle the complaint and I think this offer is fair in all the circumstances.

So, my decision is that HSBC UK Bank Plc should pay Miss B £200, including any amounts

it has already paid in relation to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 1 February 2023.

Paul Douglas  
**Ombudsman**