

The complaint

Mr M complains that his credit card application with HSBC UK Bank Plc was unfairly declined.

What happened

In August 2022 Mr M applied online for a credit card with HSBC. The application was reviewed by HSBC's underwriting system and declined. Mr M's told us he was told by HSBC that the application was declined because it had found a missed loan payment on his credit file. But Mr M's advised that's not correct and he hasn't missed a loan payment.

During the weeks that followed Mr M spoke with HSBC on the phone and visited a branch. In September 2022 the application was manually reviewed by underwriters at HSBC but wasn't approved. Mr M complained and HSBC sent him a final response. HSBC said it had correctly declined Mr M's application as it didn't meet the lending criteria and that he was welcome to apply again in the future.

Mr M referred his complaint to this service and it was passed to an investigator. We asked HSBC to supply its complaint file. Within HSBC's submission it said it wanted to offer Mr M £50 to apologise for delays in calling him back during the application and complaint process. But HSBC remained of the view Mr M's credit card application had been correctly declined. Our investigator thought HSBC had dealt with Mr M's complaint fairly and didn't ask it to take further action.

Mr M asked to appeal and reiterated that he'd originally been advised the application was declined due to a missed loan payment which wasn't right. Mr M has told us he feels HSBC hasn't given us genuine reasons to show why it didn't proceed with his application. As Mr M asked to appeal, his complaint has been passed to me to make a 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.

I'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

Mr M's response to the investigator made it clear he'd been told by a member of staff in August 2022 that his application had been declined due to a missed loan payment on his credit file. But HSBC has since told us that's not the reason why the application was turned down. I've looked at the information HSBC used when assessing Mr M's application,

including the details it found when completing a credit search. The credit search results don't show any missed payments were found when HSBC looked at Mr M's credit file.

With that being said, I accept Mr M could have been given the wrong information when he discussed the August 2022 application. And it's possible there was a genuine misunderstanding between HSBC and Mr M whereby it gave him the impression a missed payment was the reason his application didn't proceed. Whilst I understand Mr M may not have been given a clear explanation as to why his application was declined, I haven't seen anything that shows HSBC tried to deliberately mislead him.

I've looked at the August 2022 application process and HSBC's internal notes and evidence. Whilst we are able to share the specific reasons why Mr M's application didn't proceed, I'm satisfied HSBC fairly applied its normal lending criteria when reaching its decision. I haven't seen anything that shows HSBC made a mistake in August 2022 when declining the application.

Mr M's application was manually reviewed by HSBC's underwriters in September 2022. A more in depth approach was taken but the application was still declined as it didn't meet HSBC's lending criteria. I'd like to assure Mr M as an impartial party to this case that I've reviewed all the available evidence and haven't found anything that shows his application was unfairly declined or that HSBC failed to apply its normal lending criteria. As a result, I'm unable to tell HSBC to take any further action in terms of his application.

HSBC has offered Mr M £50 to apologise for delays in contacting him. I appreciate this isn't the main focus of Mr M's complaint. But I'm satisfied HSBC's offer is fair and reasonable in all the circumstances of Mr M's complaint and recognises the inconvenience caused. So I'm going to proceed on that basis and award Mr M £50.

My final decision

My decision is that HSBC UK Bank Plc should pay Mr M £50.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 18 May 2023.

Marco Manente
Ombudsman