

The complaint

Miss M complains that HSBC UK Bank Plc (“HSBC”) provided a third party organisation with misleading information surrounding a debt she owed. This resulted in Miss M feeling anxious that she had debts she didn’t know about.

What happened

Miss M was working with a third party debt organisation regarding the repayment of a debt that she had with HSBC and “Breathing Space” was applied on 4 March. On notification of this HSBC provided this organisation with incorrect information on 6 March suggesting Miss M had additional debt which needed to be included in Breathing Space. This particular account was in credit at the time.

On 8 March Miss M got in contact with HSBC as she was concerned that there was a debt she wasn’t aware of as she believed she only had a credit card debt. Unfortunately, the email HSBC sent to the third party wasn’t uploaded on to Miss M’s profile which meant the advisers she spoke with didn’t have sight of this and couldn’t assist in telling her what information had been sent regarding her accounts – though they tried to assure her that the only debt was her credit card.

As a result of this error Miss M says she had to spend almost three days trying to resolve this issue and found the whole experience very stressful causing her to become ill shortly after. Miss M complained to HSBC about this.

HSBC says it is required to apply breathing space to all the products a customer holds with it – including accounts that are in credit. HSBC accepts that the email it sent to the third party regarding Miss M’s accounts was misleading as it was a templated response and has provided feedback to the relevant team for future improvements. HSBC also accepts the service Miss M received wasn’t as good as it should have been and that she received incorrect referrals and had to explain herself on numerous occasions.

HSBC apologised for the service Miss M received and confirmed the status of her accounts and offered £100 compensation for the distress and inconvenience caused. This offer was increased to £200 following Miss M bringing her complaint to this service.

One of our investigators looked into Miss M’s concerns and thought that the offer of £200 compensation was fair and reasonable to recognise the poor service she received and the impact HSBC’s mistake had on her.

Miss M disagreed, she doesn’t think the compensation is enough. Miss M wants £500 compensation as she says she had to take time off work to sort the issue out and became ill shortly afterwards because of it. Miss M has asked for an ombudsman’s 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.

My role is to look at the problems Miss M has experienced and see if HSBC has done anything wrong or treated her unfairly. If it has, I would seek – if possible - to put Miss M back in the position she would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

In this case HSBC has already accepted that it made a mistake and the misleading information has been corrected and Miss M has been put in the position she would've been in had the mistake hadn't happened. So all I have to decide is whether the £200 compensation offered is a fair and reasonable way to settle this complaint – and I think it is.

Things don't always go smoothly. And not every mistake warrants compensation. From what I understand HSBC's mistake hasn't negatively impacted Miss M's overall position regarding the account that was in arrears and I haven't been made aware of any financial loss suffered due to the mistake.

I accept Miss M's frustration - she had to spend some time over numerous phone calls having the issue fixed and getting clarification as to what debts she had. And I find it difficult to understand why HSBC had so much trouble confirming information that I believe should've been easily available. But by her own admission Miss M had understood she only had the one debt with HSBC and that her other accounts were in credit and the HSBC advisers also could only see the one account in arrears.

I also note that initially Miss M had asked for £200 compensation, but this request has now increased to £500 as Miss M says she became ill shortly after this experience. I'm sorry Miss M has been unwell, but from what I've seen I can't say that Miss M's illness is directly as a result of HSBC's mistake. So in these circumstances I don't think the detriment Miss M alleges is all due to HSBC's actions or sufficient enough to justify an award above the £200 already offered by HSBC.

So for the reasons set out, I think HSBC's offer of £200 compensation is fair and I'm not going to ask it to do anything else.

My final decision

For the reasons I've explained I've decided that what HSBC UK Bank Plc has already offered to settle Miss M's complaint is a fair way to settle her complaint and I do not require it to do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 23 October 2023.

Caroline Davies
Ombudsman