

The complaint

Miss H complains about the interest charged on her credit card with HSBC UK Bank Plc.

What happened

Miss H opened a credit card account with HSBC in 2017. She says that since the credit limit was increased in 2018 she's only been able to cover the monthly interest due on the account.

Miss H received persistent debt letters from HSBC. She says the bank was aware of her financial difficulties but failed to support her and continued to add interest to the account which made the debt increase.

Miss H complained to HSBC. She said the interest and charges applied to her accounts had been excessive and she wanted a refund.

HSBC didn't uphold the complaint. It said the persistent debt letters had been sent to customers who were only paying the minimum balance on their credit card accounts in order to comply with FCA regulations. HSBC said it wouldn't have been aware that Miss H was in financial difficulty unless she had contacted them to make them aware. HSBC said that interest had been applied to her account in accordance with the terms and conditions, and that interest and charges had been frozen since 6 September 2022.

Miss H remained unhappy and complained to this service.

Our investigator didn't uphold the complaint. They said that on receipt of a letter from Miss H in May 2021, it asked her to contact the financial support team to discuss her options concerning her difficulty repaying the balance. The investigator said the bank had repeated this offer of support in May 2022. The investigator also said that the persistent debt letters provided details of who to contact at HSBC if she was in financial difficulty. The investigator concluded that HSBC had offered support to Miss H on several occasions but hadn't been able to provide support because Miss H hadn't made contact.

Miss H didn't agree. She said that HSBC was aware of her mental health issues prior to her letter dated May 2021. She said that she had tried to contact the bank and asked them to speak to her mother or to let her come into a branch to discuss her account but had been told that this wasn't possible. She said that HSBC was aware of her financial difficulties because she was only ever able to pay the interest on her account. Miss H didn't think it was fair to say that the bank had offered support when all it had done was ask her to call a debt line on two occasions.

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.

Miss H has said that she made HSBC aware of her mental health issues prior to her original

complaint letter in May 2021. I haven't seen any correspondence from Miss H prior to this date, nor have I been provided with the dates of any telephone calls made, so I've been unable to look into this further.

In her letter dated May 2021, Miss H advised HSBC that she was experiencing financial difficulties. There's no mention of any mental health issues.

I've looked into how HSBC responded to that letter. It sent an email to Miss H in which it asked her to contact the financial support team to discuss her options for repaying the balance on her account. I can't see that Miss H responded to this email or made any attempt to contact the financial support team.

Miss H has queried what other attempts were made by HSBC to communicate with her. So, I've reviewed all the correspondence which passed between Miss H and HSBC to see whether HSBC offered appropriate support.

I can see that HSBC wrote to Miss H on the following occasions and that offers of support were contained within these letters:

5 February 2021. A persistent debt letter was sent to Miss H which included a telephone number and a request that she get in touch if she needed support.

19 July 2021. A final response to Miss H's complaint was issued which included a telephone number for the financial support team to discuss options

10 November 2021. A persistent debt letter was sent to Miss H which included a telephone number and a request that she get in touch if she needed support.

10 May 2022. A final response to Miss H's complaint provided a telephone number for the financial support team to discuss options.

11 August 2022. A persistent debt letter was sent to Miss H which include a telephone number and a request that she get in touch to discuss options

1 March 2023. An email was sent to Miss H which provided a telephone number for the financial support team.

7 September 2023. A final response was sent to Miss H which provided a telephone number to contact the financial support team.

Based on what I've seen, HSBC have made reasonable offers of support and have made reasonable attempts to encourage Miss H to engage with the support available. I can't see that Miss H contacted HSBC to engage with the support offered. I appreciate that Miss H has said that she wasn't able to do this because of her mental health issues but I can't see that HSBC had been made aware of these issues. I can't fairly say that HSBC should have made adjustments for issues which it hadn't been made aware of.

For the reasons I've explained, I'm unable to uphold the complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 3 April 2024.

Emma Davy
Ombudsman