

The complaint

Mr and Mrs M complain that HSBC UK Bank Plc unreasonably removed their overdraft facility.

What happened

Mr M says HSBC told him in October 2023 it was removing the account overdraft facility. He says that caused concern that he had been the victim of fraud. Mr M says the removal was unjustified and would like an apology for what took place as well as an explanation.

HSBC says Mr and Mrs M hadn't used the overdraft facility since 2019 and it's entitled to review it. It says Mr and Mrs M can apply for a new facility if they wish.

Mr and Mrs M brought their complaint to us, and our investigator didn't uphold it. The investigator thought an overdraft was repayable on demand and that 30 days' notice was given about its removal. The investigator thought HSBC was entitled to make business decisions that may be commercially sensitive such as not providing full details of a decision like this.

Mr and Mrs M don't accept that view and say HSBC has now explained the reasons to us for the facility removal but didn't tell them. They say HSBC should make clear to customers there is a possibility of its removal and say it doesn't explain or make clear that possibility.

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 I have come to the overall view that I don't uphold this complaint. I appreciate Mr and Mrs M will be disappointed by my decision.

The starting point for these types of complaints is the account terms and conditions which I think Mr and Mrs M would have agreed to. They say that HSBC "may agree" an overdraft facility but the important part is that the terms and conditions go on to set out that the facility has no fixed period and will be reviewed regularly. So, I don't think HSBC made a mistake or acted unfairly by reviewing Mr and Mrs M's overdraft facility and then deciding to remove it. I also think HSBC acted in line with agreed account terms and conditions by doing so.

I'm satisfied that it's up to HSBC when exercising its commercial judgement which customers it provides overdraft facilities to and if it wishes to remove them. I don't think the terms and conditions say that HSBC is obliged to provide reasons and think it ought to be clear by stating the facility will be reviewed that must mean the possibility of it being removed. I can't see what else a review would be for. I appreciate Mr M says HSBC customers should be told about the possibility of an overdraft facility being removed. I can only consider this complaint and have made clear in any event I find HSBC has made clear the possibility of removal by saying it may be reviewed in the terms and conditions.

I can't see that the overdraft facility removal has had any real impact on Mr and Mrs M and don't think it has been used in about four years. I also think HSBC has fairly told Mr and Mrs M that they can apply for a new facility if needed.

Overall, I can't fairly direct HSBC apologise for removing an overdraft facility not being used and when it's acted in line with agreed account terms and conditions.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M and Mr M to accept or reject my decision before 29 May 2024.

David Singh
Ombudsman