

The complaint

Ms H complains HSBC UK Bank Plc haven't supported her in reducing the amount of interest paid on her credit card. She also had lots of difficulties trying to speak to HSBC about this.

What happened

I issued a provisional decision setting out what'd happened, and what I thought about that. I've copied the relevant elements of this below, and they form part of this final decision.

Ms H contacted HSBC as she wanted to reduce the interest she was paying on her credit card. She wanted HSBC to refund £5,934 that she'd paid in interest since she'd had the credit card. Ms H was also extremely unhappy at the incorrect phone numbers she was given by live chat, and that was on their website.

HSBC said they'd given her the correct information regarding her request to reduce interest – and had offered her a repayment arrangement which she'd turned down. And they paid her £75 compensation for the issues she had regarding incorrect phone numbers.

Unhappy with this, Ms H asked us to look into things. One of our Investigators did so and found overall HSBC had done enough to put matters right.

Ms H didn't accept this. She set out the persistent debt rules, said HSBC hadn't adhered to them, and thought the interest HSBC now needed to refund was £6,480. This was in September 2023. Because Ms H didn't accept the outcome our Investigator reached, her case has been passed to me to decide.

Having reviewed matters, I thought as well as raising a persistent debt complaint, Ms H was also raising an irresponsible lending complaint. Neither of these issues had been considered by HSBC first. The rules require HSBC be given a chance to address any new complaint points. I can see our Investigator has explained to Ms H she can raise these issues separately with HSBC if she'd like to. So, as these issues don't form part of this complaint, I won't be deciding them in this complaint.

What I've provisionally 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.

Reducing the interest paid on her credit card

Ms H reached out to HSBC to reduce the amount of interest she was paying on her credit card due to the cost-of-living crisis. She says she was met with complete inflexibility, incorrect information and in short given no support.

I've listened to the calls HSBC have provided, dated 1 December 2022. In these calls it's clear Ms H is frustrated because she's told there are no offers. She explains she's not calling

about offers, she's calling as a loyal long-standing customer of HSBC and asking them to go outside of their process to help her. She says she's being proactive not reactive and they're being inflexible. She says she's not in financial difficulties and is offered a repayment plan but says that's not what she's calling about. Overall, Ms H is told they won't be reducing the interest rate unless she goes on a repayment plan.

I can also see Ms H got in touch with HSBC's live chat on 13 January 2023 explaining she was aware other credit card providers were offering customers a three-month interest free payment holiday. Ms H said this is what she wanted.

Ms H sent her message at 6.31pm asking for the payment holiday to one of HSBC's customer service colleagues on the live chat. And at 6.33pm had received a response from them which said they don't currently have any offers they could provide. Ms H replied and said it's not about offers, it's about a gesture of goodwill to support customers during the cost-of-living crisis. She asked if the other credit card provider can help their customers by thinking flexibly, then why can't HSBC? The agent gave Ms H a number for the Financial Support Team and suggested she call that.

I understand Ms H called this team on 18 January 2023. They said they couldn't offer a payment holiday but could offer a payment plan if she wanted to go through her income and expenditure. I've not been provided with this call, but HSBC's notes say Ms H said she didn't want to do this. That's consistent with her complaint – that she's looking for a payment holiday due to the cost-of-living crisis.

I think it's clear from the first conversation I've listened to Ms H is asking them to provide a payment holiday – but she also confirms she's currently able to make her repayments. In order for me to uphold this element of Ms H's complaint, I'd need to be satisfied HSBC had done something wrong. Not offering Ms H a payment holiday as a gesture of goodwill isn't something I can legitimately say means HSBC have done something wrong. While I understand it'll seem counter-intuitive to Ms H, but financial businesses aren't required to offer any forbearance to her unless she's actually in financial difficulties – which she said she wasn't. And I can't require HSBC to offer her a reduction in the interest rate charged purely because another financial company has chosen to do so. I understand she's disappointed in HSBC's stance, but I've not found they did anything wrong on this point.

Ms H's frustration at trying to speak to someone at HSBC

Ms H has told us the £75 HSBC gave her was for one particularly frustrating call where she was on hold for over an hour and then cut off. When she first contacted us she estimated she'd spent at least ten hours trying to speak to someone regarding the points she wanted to discuss – so asked for £750 to reflect that frustration. I'm aware since then she's asked to resolve the matter a refund of all interest charged since 2020 and £300 compensation.

Ms H's request for a refund of interest seems to be, in part, because of persistent debt which isn't an issue I can consider as I've mentioned above.

In listening to the calls on 1 December 2022 I think it's clear HSBC aren't going to be reducing the interest rate. I realise this was explained as there are no offers available. But from all the information provided to me I'm satisfied Ms H was told on each occasion she asked for the payment holiday, for the reasons she wanted it, that it was a no. I understand Ms H feels like this wasn't deal with properly, but I think it was explained to her sufficiently well enough in the very first calls I've been provided with.

HSBC have paid her £75 for issues she had regarding speaking to people and being on hold. I'm aware Ms H says this is purely for being on hold for an hour – but I'm required to look at things holistically at this point – and I'm satisfied £75 compensation is a fair amount in resolution of this complaint. And, as this amount has been paid, I don't plan on requiring HSBC to do anything further.

Responses to my provisional decision

HSBC said they had nothing further to add.

Ms H said there wasn't much more to say about this complaint, and she was more interested in her irresponsible lending / persistent debt complaint at this point.

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.

As neither party had anything to add, I've still found overall HSBC have put matters right and don't require them to do anything further.

My final decision

For the reasons I've explained above I don't uphold this complaint.

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

Jon Pearce
Ombudsman