

## **The complaint**

Mr C complains that HSBC UK Bank Plc (“HSBC”) failed to remove a hard search for a credit application which Mr C made in December 2022. Mr C wants the hard search removed and further compensation.

## **What happened**

On 16 December 2022 Mr C applied for a credit card with HSBC. The application was referred for additional checks because the address format was different to the one on Mr C’s account.

HSBC update the address format on 23 December 2022 and Mr C made a further application for a credit card on 24 December 2022 which was approved.

HSBC said it would remove the search dated 16 December 2022. It raised a request to do this on 3 January 2023 and paid compensation of £25.

Mr C raised a complaint in February 2023 because the search dated 16 December 2022 was still showing.

In its final response dated March 2023, HSBC said the request to remove the search hadn’t been completed. It said it had re-requested the search to be removed and paid further compensation of £100.

Mr C contacted HSBC again because the search still hadn’t been removed. HSBC issued a further final response letter in June 2023. It said it had made arrangements for the search to be removed and paid further compensation of £150.

Mr C contacted HSBC again in August 2023 and advised that the search was still showing on his credit file. HSBC responded in October 2023 and said it had sent the request again. It then confirmed to Mr C in November 2023 that the credit reference agencies had been unable to locate any searches.

Mr C brought his complaint to this service.

I issued a provisional decision in which I acknowledged that this had been a long and frustrating process for Mr C. I said that until very recently, it wasn’t clear why the search hadn’t been removed but it appeared that there had been challenges in the credit reference agency locating the search due to differences in Mr C’s postcode.

I explained that based on what I’d seen, HSBC had requested that the search was removed in January 2023 and on two subsequent occasions. I said that although I thought HSBC could’ve done more to work with the credit reference agencies to get the issue resolved sooner, but that not all of the delay was down to HSBC.

I said it was clear that Mr C had been caused distress and inconvenience over an extended period of time. He’d had to contact HSBC several times because the search wasn’t removed. He also told this service that he’d been declined finance from other lenders because of the

presence of the search, although I noted that I hadn't seen any evidence to support this.

I concluded that HSBC should pay further compensation of £100 to Mr C.

I invited both parties to let me have any further comments they wished to make.

HSBC responded and said it accepted the provisional decision.

Mr C responded and said it was HSBC who had used an incorrect address for him from the lease agreement that he'd provided when he opened the account. He said the search still hadn't been removed and asked when this would happen. He said he wanted HSBC to write to him once the search had been removed apologising for the poor service.

### **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've reviewed the information provided by Mr C and it appears to show that a hard credit search by HSBC dated 17 December 2022 is still showing on his credit file. Whilst I acknowledge that this must be frustrating for Mr C, the record was only located by the credit reference agencies in or around April 2024 and it can take 60 – 90 days for the credit reference agencies to update their records.

Notwithstanding that, I do think this has gone on long enough, so I'm asking HSBC to liaise with the credit reference agency now to make sure the record is being updated and the hard search removed. Once the search has been removed, HSBC should write to Mr C confirming this.

Beyond that, my decision remains as set out in my provisional decision.

### **Putting things right**

HSBC must pay further compensation of £100 to Mr C.

### **My final decision**

My final decision is that I uphold the complaint. HSBC UK Bank Plc must pay further compensation of £100 to Mr C. It must also liaise with the credit reference agency to make sure the search is removed from Mr C's credit file and confirm in writing to Mr C when this has happened.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 8 July 2024.

Emma Davy  
**Ombudsman**