

The complaint

Mr D and Mrs H complain HSBC UK Bank Plc's actions when dealing with administration events in relation to their accounts caused them financial detriment; and that its lack of customer service caused them distress and inconvenience.

What happened

Mr D and Mrs H held a number of accounts with HSBC. In 2022 they opened a new joint bank account and around this time their existing bank accounts and personal loan were closed, with the outstanding debts being written off.

Mr D and Mrs H complained to HSBC saying they believed the personal loan should have been closed around a year earlier; and that continuing to pay the contractual monthly payment for an additional year had caused them financial detriment.

They also complained about one of Mr D's sole pension payments which wasn't crediting their new joint bank account from 2022, and as such they said they didn't have access to this money.

Mr D and Mrs H have said the ongoing issues and HSBC's lack of customer service throughout the process has caused them distress and inconvenience.

When HSBC ultimately issued its final response to their complaint Mr D and Mrs H brought their complaint to our Service as they were unhappy with its outcome.

Our Investigator reviewed the details and didn't uphold the complaint. As an agreement couldn't be reached the complaint was referred to me to decide.

I recently issued a provisional decision where I set out, with reasons, my initial thoughts on this case and what I was intending to decide.

The below is an extract from my provisional decision:

"The closure of the loan account

Mr D and Mrs H have said they understood the personal loan account would be closed in 2021, however this didn't happen until mid-2022.

They've said as a result of it being closed in 2022, they'd continued to make the contractual monthly payments for around a year more than expected. They've said this caused a strain on their finances at a time when they were already stretched, and that they're looking for these payments to be refunded.

I've reviewed the contact notes HSBC has provided, as well as taking into account the other documentary evidence we have on file. I don't doubt Mr D and Mrs H's testimony; but when information or evidence is conflicting, as appears to be the case here, I must make a finding on what I consider, on balance, to be more likely than not to have happened.

The documentary evidence HSBC has provided makes no reference to there being a conversation or any action to close the loan account any earlier than it was, in mid-2022. It was at this time in 2022 that HSBC appears to have made a decision to write off a number of outstanding debts Mr D and Mrs H had across a number of products.

On balance, when weighing up the evidence, I consider it more likely the conversation about closing the loan account came about from HSBC completing a broader review of Mr D and Mrs H's financial circumstances, either instigated by them or by HSBC itself. But in either event, based on the evidence currently available to me, I'm not persuaded there was an agreement that the loan would be closed in 2021.

I also note that there doesn't appear to be any evidence that Mr D and Mrs H complained to HSBC at any point during the year the loan remained opened, after they expected it to have closed. As Mr D and Mrs H have said this additional monthly commitment was adding a further strain to their already stretched financial position, I consider it more likely than not they would have raised these concerns with HSBC at the time.

In any event, HSBC has confirmed it stopped adding interest and charges to the loan from 2021. So, I consider it more likely that a conversation was had in 2021 to provide Mr D and Mrs H with a level of forbearance to support their financial circumstances; but that didn't include closing the loan or writing of the debt at that time.

As this was a debt that was always due to be repaid, I can't conclude the payments made across this period weren't therefore benefitting Mr D and Mrs H's overall indebtedness position at the time.

Mr D's monthly pension credit

Mr D and Mrs H have said when they changed their sole bank accounts to a joint bank account in 2022 all regular credits except one were updated to the new account details. Mr D and Mrs H have said they had no knowledge of where one of Mr D's monthly pension payments were crediting, and therefore had no access to this money (although these funds have now been located). They've said this added to their existing financial strain and caused them distress, thinking the payments may have been paid to a third-party account in error.

HSBC has stated throughout the complaint that it's Mr D and Mrs H's responsibility to update their account details with a business sending them regular payments. I accept that does appear to be a reasonable instruction.

However, it appears HSBC had arranged for the majority of Mr D and Mrs H's other regular monthly credits to have been updated to their new bank account details. So, I currently think in the individual circumstances of this case the information HSBC provided Mr D and Mrs H and the actions it appears to have taken are contradictory; and I can understand why this may have been confusing for them. This is especially the case as it appears it was only this one credit that the issue affected, out of a number of other regular payments which all appear to have successfully been updated to the new account details.

During our Investigator's review Mr D and Mrs H requested a trace be made by the pension provider to look to identify the location of the missing credits. The pension provider was able to send a BACS report dated from August 2022. The report confirms the new account details the pension provider is required to make the monthly payments to.

Once this report was provided to HSBC, I understand it was able to locate all of the

payments that had been made since September 2022, which were in a sole account in Mr D's name. Mr D and Mrs H have said they had no knowledge of the account the payments were being credited to, and that they have no access to it through online banking.

I've reviewed the BACS report received from the pension provider. The report provides new account details that the pension provider should make the monthly payment to. The new account number quoted isn't the newly opened joint bank account. The report also states: 'These amendments have been authorised by your payee's bank or building society and there is no requirement for further confirmation from the payee.'

HSBC has refused to accept the information within the report suggests it initiated this change, and as such that it provided the pension provider with the new account details to send payments to. Having reviewed the evidence, I'm not currently persuaded by HSBC's argument.

I say this because whether it was agreed with Mr D and Mrs H which account the pension payments should credit or not; it is a formal BACS report which appears to have been initiated by HSBC. Had Mr D and Mrs H looked to update the account details I consider they would more likely than not have approached the pension provider directly, as HSBC had suggested they do. And in any event, given Mr D and Mrs H's consistent testimony throughout the complaint process, I'm more persuaded that they would have updated the pension provider with the new joint account details, rather than an account in Mr D's sole name which they have consistently said they had no knowledge of, and no access to.

I've also seen from HSBC's internal notes that it appears to have been updating account details for the other regular monthly payments, without Mr D and Mrs H having to contact each provider individually. I consider this further supports my findings that it was more likely HSBC that provided the updated account details to Mr D's pension provider.

Aside from the issue around the updated account details, I find it concerning that HSBC wasn't able to locate these payments at an earlier point. I say this because HSBC has said once it reviewed the details within the BACS report it located the payments in an account in Mr D's sole name. I would have expected HSBC's investigation to have considered and reviewed any other accounts in Mr D or Mrs H's name as a fundamental part of its review, to ensure payments hadn't been crediting another of their accounts.

So, taking into account all of the evidence currently available to me, I do consider HSBC ought reasonably to have been able to locate the payments at an earlier point, and this has likely, as Mr D and Mrs H's testimony suggests, led to some strain on their finances and distress and inconvenience. I must take into consideration, however, that the payments had been crediting an account in Mr D's name all along, which was receiving interest.

I've set out my current thoughts on how Mr D and Mrs H should reasonably be compensated for this at the end of this provisional decision.

HSBC's level of customer service

Mr D and Mrs H have provided us with information detailing their ongoing financial and health circumstances, which I am sorry to learn of. It's clear that the problems leading to their complaint and the ongoing complaint process has continued to have more of an impact on them than I consider it would likely have had on the average person, given their individual circumstances.

I do consider the level of service HSBC provided Mr D and Mrs H throughout the complaint process has been below what they ought reasonably to have expected. I've seen a gap of

around four months where their complaint seemingly didn't progress. During this time, they weren't provided with any updates, and it was only when Mrs H got back in contact with HSBC that it appears to have restarted its investigations. It then took around a further two months to issue them with its final response.

Overall, I consider HSBC hasn't provided Mr D and Mrs H with the level of service they ought reasonably to have expected during the complaint process. And it therefore follows in needs to compensate Mr D and Mrs H to fairly address this.

In summary

I currently consider Mr D and Mrs H have been subjected to a considerable level of distress and significant inconvenience because of HSBC's actions (and inactions at certain times).

The overall level of customer service provided to Mr D and Mrs H has fallen short of what they ought reasonably to have expected to receive. I consider this is more significant given Mr D and Mrs H's individual circumstances, which HSBC is and was aware of during the complaint process.

I consider HSBC ought reasonably to have located Mr D's pension credits at an earlier point, and it's investigation of their complaint ought to have been conducted in a much timelier manner, without Mrs H needing to chase HSBC to obtain updates and a final response.

I'm currently intending to decide that HSBC should pay Mr D and Mrs H £600 compensation for the distress and inconvenience caused due to the level of service provided.

Mr D and Mrs H have said they have no online access to the account Mr D's pension payments were crediting. I would also ask HSBC to liaise with Mr D and Mrs H in order to support them in gaining access to the account via online banking, if this hasn't already been resolved."

HSBC responded saying it didn't agree with all aspects of the provisional decision; but agreed to my intended settlement. Mr D and Mrs H responded with a number of points which I've summarised below:

- They were advised by a member of HSBC staff that there were internal notes to suggest the loan would be, or should have been, closed and written off in 2021.
- It was only through our Service's involvement and investigation that the missing pension payments were located; but that they still don't have access to the account they credited.
- HSBC hasn't provided them with a fair or reasonable level of service in relation to these matters, or its overall handling of their complaint.

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've not been presented with any new information or evidence which leads me to conclude I should depart from the findings reached within my recent provisional decision.

I say this because while I don't doubt the testimony Mr D and Mrs H have provided throughout the complaint process about the loan payments; I've seen no documentary evidence that an agreement to write off the debt was made any earlier than in mid-2022 when HSBC took this action. And as I set out within my provisional decision, I'm more

persuaded that the changes to Mr D and Mrs H's financial products in 2022 ultimately came about because of a review of their wider financial circumstances; which I consider more likely than not led to HSBC's decision to write off their total outstanding debts at that time.

The monthly payments Mr D and Mrs H continued to make to the loan until mid-2022 was in line with their contractual obligations towards the loan; and ultimately reduced their outstanding liability with HSBC. Overall, I can't reasonably conclude there was any financial detriment due to any error by HSBC.

I've been provided with no evidence to contradict my findings within my provisional decision about Mr D's monthly pension credits. I'm therefore satisfied, given what HSBC knew about Mr D and Mrs H's circumstances, that it ought reasonably to have supported them further and completed a more thorough investigation into the payments. Had it done so I consider it more likely than not that it would have been able to resolve this part of Mr D and Mrs H's complaint in a timelier manner, reducing the distress and inconvenience the issue caused.

I still consider HSBC's overall level of service to have been below what Mr D and Mrs H ought reasonably to have received. This is especially the case as I've not been presented with any further evidence to dispute the findings within my provisional decision.

I'm therefore satisfied, for the reasons I've set out above and within my recent provisional decision, that a payment of £600 fairly reflects the impact HSBC's actions (and inactions at times) had on Mr D and Mrs H.

Putting things right

As I've found above and within my recent provisional decision, Mr D and Mrs H have been put to considerable distress and significant inconvenience by HSBC's actions (and at times inactions) in relation to the service it provided them. Given that HSBC was aware of their individual circumstances, I consider this only added to the impact on them.

I'm therefore satisfied HSBC should pay Mr D and Mrs H £600 in recognition of the impact its level of customer service had on them.

I also direct HSBC to support Mr D and Mrs H in ensuring they have the relevant access to all of their accounts to which they are a party to through their own online banking login details, where this level of access is available.

I would suggest to Mr D and Mrs H that should they wish for Mr D's pension payments to be credited to their joint bank account, if the details have not already been updated, that they contact the pension provider directly to make this change.

My final decision

My decision is that I'm upholding Mr D and Mrs H's complaint and direct HSBC UK Bank Plc to take the steps as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Mrs H to accept or reject my decision before 21 August 2024.

Richard Turner
Ombudsman