



## **The complaint**

Mrs G complains that arrears on her credit card account with HSBC UK Bank Plc (HSBC) continued to accrue and she wasn't informed she would have to repay the account in full when the repayment plan ended.

## **What happened**

In January 2024 HSBC wrote to Mrs G about the credit card account she had with them. They explained that she was in persistent debt and was paying more in interest and charges than she was towards the account balance. HSBC agreed a repayment plan with Mrs G. She was required to repay £55.71 for six months.

When the plan came to an end Mrs G expected to be able to return to making minimum payments. She was disappointed that arrears had continued to accrue while she was on the repayment plan and frustrated that HSBC were now seeking to default the account if the position wasn't remedied.

HSBC didn't think they'd done anything wrong and neither did our investigator.

Mrs G has asked for a final decision by an ombudsman. So, her complaint has been passed to me.

## **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 know it will disappoint Mrs G, but I don't think HSBC have done anything wrong here. I'll explain.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

The Consumer Credit Sourcebook (CONC) issued by the Financial Conduct Authority, sets out some requirements firms should take when consumers are in persistent debt, as Mrs G was when HSBC wrote to her. Among other things it says the consumer should be given options to reduce the balance. Those options were set out by HSBC to Mrs G when they wrote to her in January 2024. I think HSBC complied with the requirements set out in CONC.

HSBC suspended the account and after they completed an income and expenditure analysis with Mrs G they agreed a short-term payment plan with her over six months. When they confirmed that plan, they explained that the arrears balance would continue to increase as

payments were less than the monthly minimum requirements and that at the end of the plan Mrs G would need to contact them to discuss repaying the arrears.

It wouldn't be fair for HSBC to perpetuate the persistent debt after the repayment plan had expired. HSBC's letter to Mrs G in July 2024 suggests that Mrs G didn't want to agree another plan that would have seen the balance reduce. I can't see that, in those circumstances, HSBC were unreasonable to pursue collection activity. Their advisor had reminded Mr G (who was representing his wife) that that would be possible during a call Mr G had with the bank in February 2024.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 28 October 2024.

Phillip McMahon  
**Ombudsman**