

The complaint

Mr T complains that HSBC UK Bank plc (HSBC) didn't tell him it would carry out a credit search when he applied for a personal loan and failed to respond to a data subject access request (DSAR) within the month it had to do so. He would like more compensation than the £150 HSBC has offered.

What happened

The details of this complaint are well known to both parties so I won't repeat them again here, instead I will focus on giving the reasons for my decision.

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 reached the following conclusions: -

- I understand Mr T applied for a personal loan using his mobile banking app. However he did this in branch with the help of a member of staff who, he says carried out a hard credit file search that Mr T says he was unaware of. I can't be sure if Mr T was aware of this or not. He did tick the box to say he understood the terms and conditions for the account and the onus was on him to be sure he understood what he was agreeing to which includes the credit search.
- However, as a gesture of goodwill, HSBC removed the credit search on Mr T's credit file and offered him £50 compensation which he declined. I can't reasonably ask HSBC to do any more as I have no evidence it did anything wrong.
- In terms of the DSAR request HSBC has explained it needed more information from Mr T but that due to miscommunication and staff leave this wasn't explained to Mr T when it should have been. In its final response letter HSBC apologised for this and confirmed what it needed to complete the DSAR request. The information it requested seems reasonable to me. HSBC also offered Mr T £100 compensation for not communicating what it needed to him in a timely manner. Again, Mr T declined this offer.
- I appreciate Mr T isn't happy with the level of compensation he has been offered. He doesn't believe this addresses the emotional distress, inconvenience, and potential impact on his financial standing. He has also referred to the fines that can be applied to institutions who breach General Data protection Regulation Rules (GDPR)
- I have carefully considered the points about compensation that Mr T has raised but I am afraid I don't agree with him. It's not our role to punish or fine businesses. We look at whether a business has made a mistake and if so, what impact this has had on the complainant. We consider actual impact not potential impact in the future as it's impossible to assess this.
- We consider if we can put consumers back in the position they would have been in if

mistakes had not been made. In this case of the hard credit search Mr T I have no evidence there was a banking error, despite this, HSBC removed details of the search from Mr T's credit file. I think HSBC did make a mistake in not advising Mr T what it needed to progress his DSAR request but has since made clear to him what is required and apologised. So, in both cases HSBC has rectified the situation.

- In terms of emotional distress and inconvenience I think the compensation offered along with HSBC's other actions in removing the credit search and providing clarity over what is needed for the DSAR request is fair.

My final decision

My final decision is that I HSBC UK Bank plc has made a fair offer.

In full and final settlement HSBC UK Bank plc should pay Mr T the £150 compensation it has already offered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 11 November 2024.

Bridget Makins
Ombudsman