

The complaint

In summary, Ms E complains about the administration of her HSBC UK Bank Plc credit card.

What happened

Ms E held a credit card with HSBC; the account defaulted in December 2022, closed, and it was passed to the bank's internal collections department.

To largely borrow Ms E's words, across several separate complaints made between 2021 and 2023, she told HSBC that she was unhappy it had:

1. Failed to communicate to her the removal of her credit card account from her HSBC online dashboard.
2. Failed to communicate to her the closure of the credit card account.
3. Denied her right of access to the balance of the account.
4. Failed to communicate the disruption to services which have impacted on the service level agreements.
5. Failed to set up a suitable repayment plan within a reasonable timeframe.

In reply, HSBC issued numerous Summary Resolution Communication (SRC) letters after discussing her complaints on the phone as and when they were raised. Broadly, Ms E wasn't happy with the responses from HSBC – so, she referred her full, over-arching complaint to this Service in October 2023.

An Investigator here looked at what had happened. After doing so, he didn't think we had the power to consider all of Ms E's complaint – instead, we could only consider part of it. More specifically, he thought we could only consider points one to three, not four and five, from the list I've set out above. That's because points four and five had been brought too late under the rules we must apply.

Ms E disagreed and she asked for an Ombudsman to determine whether we could investigate all, or just part, of her complaint. An Ombudsman here determined that we did indeed only have the power to consider points one to three.

The Investigator reviewed what had happened in respect of the complaint points we could consider, and he didn't think HSBC needed to take any further action. In short, he said:

- While it's true that HSBC hadn't written to Ms E explicitly to tell her the credit card account was closed, the bank had set out – in the Default Notice, and Final Demand letter, it had sent – that account closure was a possibility. If closed, the account would be passed to HSBC's internal collections department.

- Ms E had received a letter from that collections department. So, overall, combined with the warnings contained in the Default Notice and Final Demand, she had enough available information to know her account had been closed.
- Once closed, the account could no longer be managed using HSBC's online dashboard. So, it wasn't unreasonable of the bank to have removed it from Ms E's one.
- While perhaps less convenient for Ms E to have to make repayments via HSBC's collections service, and not to be able to view the account online; it wasn't unreasonable of the bank, given that's the process for closed accounts with its collections department.

Ms E disagreed. She maintained that HSBC had acted unfairly; Ms E said that HSBC's actions felt personal – not professional – and that she'd never experienced accounts being closed, nor removal of access to accounts, without prior knowledge or consent. Particularly, she said, when a balance is still to be repaid. As opposed to letters about these specific events, Ms E said that she'd only received ambiguous demands for repayment.

Our Investigator reconsidered the matter in light of Ms E's comments, but he didn't change his view. He reiterated that, in his opinion, HSBC had made it clear enough – in its Default Notice and Final Demand – that the account could be closed if repayment wasn't made, which it hadn't been. Additionally, HSBC was required to send certain letters around repayment. So, broadly, it hadn't done anything wrong in doing so.

Finally, the Investigator set out again that closed accounts couldn't be managed online, as per HSBC's process in such circumstances. So, it wasn't unreasonable for Ms E's access to the credit card to be removed from her online dashboard.

Ms E still disagreed, and she asked for an Ombudsman's decision. So, as no agreement has been reached, the complaint has been passed to me to decide.

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.

It's evident there are several issues Ms E has with HSBC. So, I must be clear that I cannot consider – nor comment on, even broadly – the points which fall outside of our jurisdiction. For completeness, that is points four and five as set out in the background section above. One of my colleagues, a fellow Ombudsman, has already determined that our Service has no power to consider them; I agree with those findings, and I won't revisit them here. Instead, my decision focusses on points one to three of Ms E's overall complaint.

Ms E has provided much evidence and testimony, which I thank her for taking the time to do. While I have read and considered all that she's provided, I haven't commented on each and every statement she's made. Instead, I've focussed on what I deem to be the crux of the matter. That's because our role is to be an informal service; I don't intend any discourtesy in my approach, it's simply to align with that purpose.

HSBC's failure to tell Ms E her credit card account had been closed

From the evidence provided, I can see HSBC sent Ms E both a Default Notice and a Final Demand letter. Our Investigator set out more specifically the warnings contained within this correspondence but, in summary, both letters allude to the possibility that the credit card can be closed, then passed to the bank's internal collections department for them to manage. So, I can be satisfied that notice of *possible* account closure was given; at least

twice.

On the whole, I'd certainly consider it good practice for the bank to have written to Ms E specifically about the account closure, letting her know absolutely that it had happened. The terms and conditions which governed Ms E's credit card account generally outline that two months' notice will be given if either party decides to end the agreement. But those terms don't specify an obligation for HSBC to do so in certain circumstances; for example, if the bank considers there to be an increased risk that credit won't be repaid. I think that likely applied here, given the Final Demand and Default Notice.

Either way, I've considered whether Ms E incurred any detriment, or loss, as a result of HSBC not writing to her on this point specifically. But from what I've seen, I don't think she has. The Default Notice – and Final Demand – gave clear indications as to what could happen; I must keep in mind too that Ms E could've contacted the bank directly if she was unsure.

I certainly see Ms E's view that she should have been told directly that her account *had* been closed, and I accept that some language used by HSBC wasn't definitive. But I don't think she'd have been completely unaware beforehand that it was a likely outcome should certain repayment requirements not be met, which – for whatever reason – they weren't.

With all of that in mind, I'm satisfied that Ms E was provided with enough information to understand that her account could be closed. And from what I've seen, I don't consider a lack of specific notice to have caused Ms E a loss.

The removal of Ms E's credit card account from her online dashboard; denying her access to the account balance

I understand Ms E's frustration here. Administering her credit card online was no doubt more convenient; it allowed her to see the balance instantly, as well as manage the account, making affordable adjustments, when and how she saw fit. I accept too why Ms E would've liked, or expected, to have been informed specifically about the credit card being removed from her online dashboard. Broadly, I accept that some notice would no doubt have been convenient to Ms E.

That said, even if HSBC had written to Ms E about this point specifically, or indeed if it hadn't removed the credit card from Ms E's online dashboard at all, the fact remains that the account was closed. So, as I understand it, she still wouldn't have been able to manage it herself as she'd been able to previously. And once the credit card account had been closed and moved to the bank's internal collections department, I don't think – broadly speaking – that HSBC did something inherently unreasonable in removing it from her online dashboard.

Put simply, the account was closed and Ms E's ability to use the credit card was restricted. Consequently, removing it from her active accounts on the online dashboard wouldn't be, in my view, an irrational or unforeseeable step on the bank's part.

Overall, I've not seen anything to suggest that Ms E's ability to arrange repayment was ultimately affected. She could still do that, albeit not via her preferred method, or she could contact HSBC to discuss it. Nor is there reason for me to consider that Ms E wouldn't have been provided information, like her balance, for example. On that basis, I can't definitively say the lack of specific notice here means the overall situation would be too different – in terms of the ability to make payments, or access information.

I accept that Ms E would've liked to have been informed specifically about the account being removed from her online dashboard, and I agree that some indication would've been more convenient for her. I don't find, though, that the lack of such notice made a material difference to her ability to conduct necessary action – like making payments. Moreover, on balance, I'm not persuaded that HSBC caused any harm or loss to Ms E as a result of following its process.

In summary then, given what I've explained, I don't require the bank to take any action with regard to these complaint points.

Overall

What I've set out here will no doubt come as a disappointment for Ms E, not least because I'm unable to comment on some core elements of her overall complaint. I'm aware that she's been going through a difficult time too, and I truly hope that things have improved for her.

That said, in the circumstances, and for the reasons I've explained, I don't uphold the complaint points I am able to consider here. As such, it follows that I don't require HSBC to take any further action.

My final decision

My final decision is that I don't uphold Ms E's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms E to accept or reject my decision before 27 November 2024.

Simon Louth
Ombudsman