

The complaint

Miss R complains about the service that HSBC UK Bank Plc provided when she asked for support with her credit card payments.

What happened

Miss R holds a credit card account with HSBC. She experienced some financial difficulties and wrote to HSBC asking for a payment break or a payment plan. Miss R completed an income and expenditure form online and said she could afford to pay £50 per month.

After she had sent everything back, Miss R received a call from HSBC. Miss R says she was told by the call handler that she had available funds to pay her contractual minimum payment. Miss R said she felt pressured into changing the figures she'd entered on her income and expenditure form and said she felt that the call handler was encouraging her to take on more debt by using her overdraft facility.

Miss R says she was told at the end of the call that a hold would be placed on her account and that she wouldn't receive any further calls. However, the following day Miss R received two calls from HSBC. She also received a letter asking her to go into branch to update her signature.

Miss R complained to HSBC.

In its final response, HSBC said the letter asking Miss R to update her signature had been sent in error. It apologised and offered compensation of £50. In relation to Miss R's complaint about the phone call dated 11 June 2024, HSBC said that after discussing her income and expenditure with the call handler, the outcome of the assessment showed that Miss R had available funds. HSBC said it could see that the assessment which Miss R had completed online showed a negative position each month. HSBC said that Miss R had agreed with the call handler that she would re-evaluate the figures and call back as she may have missed some of her outgoing expenses. It said a hold was placed on the account for 3 days whilst Miss R gathered this information. HSBC said that its financial support team had to ask questions when going through an assessment in order to identify a suitable plan. It asked Miss R to contact the financial support team directly.

Miss R was unhappy with the response and complained to this service. To resolve the complaint, Miss R wants HSBC to put a payment plan in place for her to pay £50 per month.

Our investigator upheld the complaint. He said that Miss R had been caused unnecessary upset by being asked to review her income and expenditure figures over the phone, when she'd already explained that the figures were correct. The investigator said the call handler should have provided a clearer explanation of how HSBC's system apportioned payments to each creditor and recommended that HSBC paid further compensation of £50 to Miss R for the distress and inconvenience caused.

HSBC responded and said it agreed to pay further compensation of £50.

Miss R responded and said that one of the main issues of her complaint was that she wanted to agree a payment plan in writing. She said she no longer felt comfortable speaking with HSBC on the phone due to the way the previous call had been handled. Miss R said she'd been able to agree payment plans with other creditors in writing. She said she felt that HSBC were being deliberately difficult and trying to get her on the phone so that they could pressure her.

Because Miss R didn't agree I've been asked to review the 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.

I've reviewed the call dated 11 June 2024. Having done so, I agree with the investigator that the call handler could've been clearer about the way in which HSBC's internal income and expenditure form apportions payments between creditors, which results in a pro rata monthly amount for each creditor which is proportionate to the balance of each debt. If the call handler had been clearer about this, I don't think Miss R would've been caused so much upset during the call. I can understand why Miss R says she felt pressured during the call, because the call handler said that her figures were incorrect and that she had available income to pay her monthly contractual payment.

Because of the issues surrounding the figures, it wasn't possible for the call handler to agree a payment plan with Miss R during the call. At the end of the call, it was left that Miss R would review her expenditure figures and call back. As far as I'm aware, this hasn't happened because Miss R is reluctant to speak to HSBC on the phone again due to her experience on the previous call.

Miss R has said that she wants to agree a payment plan via email or letter with HSBC. She says she can afford £50 per month.

I understand why Miss R is reluctant to speak to HSBC over the phone again. However, HSBC has told this service that the regulatory requirements mean that it needs to speak to Miss R to confirm affordability of any payment plan and explain the terms and conditions and implications of any plan which is put in place. This is the process that HSBC has put in place for financial support. HSBC has said that if Miss R would feel more comfortable with some support when she makes the call to the financial support team, she can go into a branch and a member of HSBC staff will help her with the call.

This service can't require HSBC to change its processes. So I can't require HSBC to consider Miss R's payment proposal of £50 per month in writing. I appreciate that Miss R has said that she has managed to reach agreement with some of her other creditors in this way, but I'm only able to consider the circumstances of this complaint.

I don't think it's unreasonable for HSBC to want to speak to Miss R to make sure she understands the implications of any agreement she enters. This is because some types of agreement might have an impact on a customer's credit file, so it's important that everything is discussed, and that the customer makes an informed decision.

Taking everything into account, and as I've said above, I think HSBC caused unnecessary stress and upset to Miss R during the call dated 11 June 2024. I agree with the investigator that further compensation of £50 for the impact that the call had on Miss R is fair and reasonable. However, in relation to the agreement of a payment plan, I can't require HSBC to agree this without speaking to Miss R. Miss R will need to contact the financial support

team if she wishes to set up a formal plan.

Putting things right

To put things right, HSBC UK Bank Plc must pay further compensation of £50 to Miss R.

My final decision

My final decision is that I uphold the complaint. HSBC UK Bank Plc must pay further compensation of £50 to Miss R.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 3 January 2025.

Emma Davy
Ombudsman