

The complaint

Mr S and Mr T complain that HSBC UK Bank Plc offered them a mortgage then rescinded its offer.

What happened

Mr S and Mr T applied for a mortgage with HSBC via a mortgage broker. The application was declined by HSBC's system, so their broker called HSBC. The call handler at HSBC explained that some changes to the application could be made which may make the application successful.

Mr S and Mr T say that an offer was provided verbally to their broker during this call, but this was rescinded the following day. Mr S and Mr T say no new information was provided to HSBC between the mortgage being agreed and then declined. They complained to HSBC.

HSBC said its advisor could've been clearer when speaking with Mr S and Mr T's broker, so it offered £100 compensation. But HSBC was satisfied it was right to decline the application. Mr S and Mr T didn't accept this and referred their complaint to our Service.

One of our Investigators looked into the complaint. She agreed that HSBC should've made it clearer to the broker that the lending hadn't been approved. But she was satisfied that the £100 offered by HSBC was fair and reasonable in the circumstances.

Mr S and Mr T didn't accept this. They asked for the complaint to be reviewed by an Ombudsman. So, it's been passed to me to consider and make a final 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 find myself coming to the same conclusions as our Investigator. And for the same reasons.

When Mr S and Mr T's broker first applied, the application was declined which led to the broker calling HSBC. I've listened to both of the calls that the broker had with HSBC. During the first call, HSBC does explain the reasons for the case initially being declined. And it tries to help the broker make amendments with the application which may make the application successful. I'm satisfied that HSBC was taking steps to try to help Mr S and Mr T's broker.

Following the amendments suggested within the first call, the application was still declined. It does seem that HSBC could've picked up that this would still be declined within the first call. However, I don't agree with Mr S and Mr T that any offer of loan was ever made during this first call. And, the following day, HSBC did explain to the broker, the reasons why the application was being declined.

I can see this did take the broker some time to resolve. However, I can't consider the impact of this matter on the broker, only on Mr S and Mr T. And, whilst I can see it must've been

frustrating for them, I can see they were advised of HSBC's decision within a day. So, I'm not of the opinion that this would've caused a considerable amount of distress and inconvenience. I think the amount of £100 compensation is fair and reasonable for this mistake in the circumstances.

Ultimately, no offer of a mortgage was made by HSBC. So, I don't agree with Mr S and Mr T that an offer was made and then rescinded. I would expect a mortgage broker to understand that no mortgage offer is made until the offer is provided in writing. No mortgage offers are made verbally. If the broker did tell Mr S and Mr T that they had received an offer from HSBC, then this is a mistake by the broker. And, as such, not something I can hold HSBC responsible for.

Whilst I understand why Mr S and Mr T are frustrated, for the reasons set out above, I'm satisfied that HSBC's offer is fair and reasonable. So, I'm not going to ask it to do anything further.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mr T to accept or reject my decision before 21 January 2025.

Rob Deadman
Ombudsman