

## **The complaint**

Miss L is unhappy that HSBC UK Bank Plc declined her request to write her balances off on medical grounds.

## **What happened**

Miss L requested a write off of her overdraft, personal loan and credit card on medical grounds.

HSBC declined the request and offered Miss L a Long Term No Affordability (LTNA) plan instead.

Miss L wasn't happy to accept a LTNA as she was concerned that this would negatively impact her credit file. She complained to HSBC.

HSBC didn't uphold the complaint. It said the request to write off didn't meet its criteria. HSBC repeated the offer of a LTNA and explained that during the plan the collections process would continue, and regulatory letters would continue to be sent. It also explained that Miss L's credit file would be impacted.

Miss L remained unhappy and complained to this service.

Our investigator didn't uphold the complaint. He said that HSBC had followed its procedures and were within their rights to decline the request for a write off. The investigator said HSBC had acted fairly by offering a 6 month no payment arrangement which was appropriate to Miss L's financial circumstances.

Miss L didn't agree. She provided a letter from her GP which stated that she was unable to work. Miss L said she should be classed as a vulnerable customer. Miss L said it was within HSBC's power to pause her repayments for 6 months in order to avoid the accounts going into default, because another of her creditors had already done this with her mortgage.

Because Miss L 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 know it will disappoint Miss L but I agree with the investigators opinion. I'll explain why.

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 a 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.

I've thought about whether HSBC has treated Miss L fairly and reasonably. Where a customer is experiencing financial difficulties (for whatever reason) this service would expect

a lender to treat the customer positively and sympathetically. There are many different ways in which a lender can do this, including (for instance) suspending interest and charges, accepting reduced payments, or accepting nominal or no payments for a specified period. A lender might also consider a request to write off all or part of a balance on medical grounds. However, there's no obligation on a lender to do this.

I can see that Miss L requested a write off of her overdraft, personal loan and credit card debts on medical grounds. HSBC considered the request but declined it. There's no obligation on HSBC to provide specific details of the reason for declining the request, as this is commercially sensitive information. I'm unable to require HSBC to provide further details.

Although HSBC declined the write off request, it has offered Miss L a reduced payment arrangement known as LTNA. This type of arrangement means that Miss L doesn't have to pay anything during the period that the arrangement is in place. It would, however, impact on Miss L's credit file (as would any type of payment arrangement).

Based on what I've seen, I think HSBC has responded fairly and reasonably to Miss L's request to write the debts off. It has offered a payment arrangement which is suitable for her circumstances.

Miss L has said that she believes she should be treated as a vulnerable customer. I've reviewed the medical evidence she's provided, and I can see that she's unlikely to return to work for at least 6 months due to ill health. I'm sorry to hear that Miss L is going through a difficult time. However, as I've said above, there's no obligation on HSBC to write off a debt on medical grounds, and whatever arrangement is put in place, HSBC must report this, because it is under an obligation to report accurate information about the account to the credit reference agencies.

I appreciate that Miss L has said that she's come to an arrangement with her mortgage lender to suspend payments for 6 months with no impact on her credit file. She's queried why HSBC can't do this. I'm not privy to the arrangements that Miss L has made with her mortgage provider. In any event, I'm only able to look into the circumstances of this particular complaint, and I'm unable to comment on what another lender has or hasn't done.

For the reasons I've explained above, I'm unable to say that HSBC has made an error or treated Miss L unfairly. I won't be asking it to do anything further.

### **My final decision**

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 19 February 2025.

Emma Davy  
**Ombudsman**