

The complaint

Mr A complains that HSBC UK Bank Plc (HSBC) have been unreasonable not to reopen his credit card account on the same interest rate as had previously been applied.

What happened

Mr A's credit card account was closed in error in October 2022. HSBC agreed to reopen it in April 2023 but did so with an APR of 23.9% when it had previously been 18.9%.

Mr A thought they should have kept the interest rate the same, but HSBC have argued that the account was reopened at their standard rate and that the conditions allowed them to flex the rate. Our investigator didn't think HSBC had been unreasonable but as Mr A was still unhappy his complaint has been referred to me, an ombudsman, to make a 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.

I know it will disappoint Mr A, but I'm not upholding this complaint. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

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 any 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.

HSBC have explained that the terms of Mr A's account allowed them to amend the interest rate charged and they've explained that as their standard interest rate had changed, that's the rate Mr A would have been asked to pay even if his credit card hadn't been closed.

That seems reasonable to me. I can't see that there was ever a promise to hold interest rates at the level they were at when Mr A opened his account and I don't, therefore, think HSBC were unreasonable to charge their standard rate when the account was reopened. I think it's likely that is the rate that would have been applied even if his card had remained open.

I'm not asking HSBC to take any action.

My final decision

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 14 February 2025.

Phillip McMahon
Ombudsman