

## **The complaint**

Mr N says that HSBC UK Bank Plc (“HSBC”) wrote to him implying that he wasn’t managing his account appropriately and threatened to remove his overdraft. Mr N complains that this communication was inappropriate and unnecessary and the tone of the letter disrespectful.

## **What happened**

Mr N holds an account with HSBC with a £50 arranged overdraft. HSBC wrote to Mr N on 29 October 2024 informing him as a responsible lender that it had reviewed the overdraft usage for his account and that it was higher than it expected to see. HSBC said it would like to see Mr N try and reduce the usage of his overdraft and if possible keep it within £0 but confirmed it was not reducing his overdraft limit at present but would review it in six months.

Mr N complained about this to HSBC saying the letter was factually incorrect, offensive and insulting as he manages his account well and hardly uses his overdraft.

HSBC apologised for any distress caused and explained why it sent the overdraft review letter confirming the action was taken as part of its obligations as a responsible lender. It explained Mr N had done nothing wrong but that he might be paying more than he needs to in interest which is why it’s letting him know and encouraging him to review and reduce his overdraft usage.

Mr N was dissatisfied with this and brought his complaint to this service. He says the letter caused him distress and wants HSBC to compensate him £300.

One of our investigators looked into Mr N’s concerns and reached the conclusion that HSBC hadn’t treated Mr N unfairly as it had regulatory obligations it had to follow and didn’t think it had done this unreasonably when its systems triggered a review and it sent an overdraft review letter to Mr N. And having considered the tone and content of the letter they didn’t think it was inappropriate or disrespectful and so didn’t think HSBC had done anything wrong.

Mr N disagreed, he says there is no requirement in HSBC’s terms and conditions stipulating that an account must receive regular credits to be deemed managed appropriately and HSBC’s letter was inappropriate and its actions procedurally flawed. Mr N says the letter caused him undue stress and HSBC failed to consider the impact of this on him as the customer and that an apology alone doesn’t suffice. Mr N has asked for an ombudsman’s decision.

Mr N says sending a blanket letter with generic language doesn’t constitute a fair review of an account’s specific circumstances.

## **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.

My role is to look at the problems Mr N has experienced and see if HSBC has done anything wrong. If it has, I would seek – if possible - to put Mr N back in the position he would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

And after considering everything I'm in agreement with our investigator and I don't think there is anything much more of use I can add.

Mr N says there is no requirement in HSBC's terms and conditions stipulating that an account must receive regular credits to be deemed managed appropriately. That might well be the case but when banks offer products and services they are under an duty to ensure compliance with various legal and regulatory obligations including making sure any lending – including overdrafts – is conducted in a responsible way. So it doesn't matter whether this is stipulated in its terms and conditions or not.

I should also point out here, as we are not the regulator, it's not for me to say what procedures or processes HSBC needs to have in place to meet its regulatory obligations. We offer an informal dispute resolution service and we have no regulatory or disciplinary role.

That being said I don't think it is unreasonable that HSBC has systems in to ensure its customer's accounts are monitored for any activity or conduct that might indicate a review is necessary to meet its regulatory obligations.

In this case it looks like Mr N's account activity or lack thereof triggered HSBC's systems to send a review letter to Mr N. And having looked at Mr N's bank statements I don't think this was unreasonable.

After having a balance in excess of £3,000 in November 2023 Mr N's account balance dropped to below £20 and remained this way with little if any activity on the account until it became overdrawn by £4 in June 2024. And although I accept Mr N corrected this straightaway – indicating he was managing his account – I can understand why a review letter was triggered and why a review might be necessary because:

- It was unusual for his account to become overdrawn;
- His balance was significantly lower than it had been the year earlier;
- His account wasn't being used or credited regularly; and
- Mr N may want to review his OD limit as it wasn't being used and it was much higher than the average balance or funds being credited to the account.

So I don't think that HSBC's systems triggered a review unnecessarily and nor do I think it unreasonable HSBC uses automated systems to do this when certain markers are present.

This is a triage system and a practical way of identifying customers who might need support. It simply wouldn't be practical or I think possible for HSBC's employees to personally review the activity on each of its customer's accounts or send a personalised letter whenever a review was triggered.

I appreciate Mr N didn't like the generic language or tone of the letter he received but I don't agree that the tone was threatening or disrespectful. Indeed, Mr N understood it was generic and not aimed at him personally, but rather it was a prompt for him to review his financial arrangements.

I appreciate this caused Mr N some distress, but HSBC apologised and explained the reasons behind the letter and that he'd done nothing wrong and that his overdraft wasn't being removed.

So I don't think HSBC did anything wrong or treated Mr N unfairly when it sent Mr N a letter about his account. And even if I found that HSBC did do something wrong, I wouldn't make an award as I don't consider the detriment Mr N alleges sufficient to justify one.

So on this basis I'm satisfied HSBC hasn't made an error or treated Mr N unfairly. And it follows that I do not uphold Mr N's complaint.

### **My final decision**

For the reasons I've explained I've decided not to uphold Mr N's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 21 March 2025.

Caroline Davies  
**Ombudsman**