

The complaint

Mr U has complained that HSBC UK Bank Plc has defaulted his account and didn't set up a repayment plan.

What happened

Mr U had an account with HSBC. But, since June 2024, he missed a number of repayments. HSBC sent him letters online about this, as he'd indicated this was his preferred method of communication. It then sent a final demand, followed by a default notice, by post, as this is a regulatory requirement.

Mr U has explained he didn't receive any of the correspondence. And, when he spoke to HSBC about a repayment plan, one wasn't set up. This led to the account defaulting.

One of our investigators looked into what had happened, but didn't think HSBC had behaved unfairly. As Mr U disagreed, his complaint's now been passed to me.

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'm not upholding it. I know this will be disappointing, but I'll explain why.

Mr U missed a number of repayments, and HSBC sent him digital letters regarding this. I consider this to have been reasonable, given that he'd set this up as his communication preference. It also sent two letters by post, as this is a regulatory requirement. I know Mr U had a lot going on at the time, and I'm sorry to hear this. But it was still his responsibility to keep up with repayments. And I'm satisfied he'd have been reasonably aware that he wasn't doing so, and that this would ultimately result in a default.

I can also see that HSBC carried out an income and expenditure assessment, and offered a repayment plan based on this. This is in line with what I'd expect it to do.

However, Mr U didn't agree to this, so the account defaulted. I don't think it was unfair of HSBC to do this, given the sum was outstanding, with no plan agreed to.

My final decision

For the reasons given above, it's my final decision not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr U to accept or reject my decision before 5 May 2025.

Elspeth Wood
Ombudsman