

The complaint

Ms R has complained that HSBC UK Bank Plc (B) unfairly defaulted her credit card account.

What happened

Ms R had a credit card account with HSBC. However, HSBC defaulted it, and reported this information to the credit reference agencies ('CRAs'). Ms R feels this was unfair, as she believed her account to be on hold.

One of our investigators looked into what had happened, but didn't think the complaint should be upheld. He could see that HSBC had agreed to a 'long term no affordability plan', but this didn't include not making any repayments. And, he was satisfied that when Ms R explained to HSBC she'd be unable to make repayments, the agent explained that arrears would build, and that a default notice and final demand would be sent. If Ms R was unable to make payment, a default would be registered.

Our investigator could also see that during the plan, HSBC called Miss R to ask why she wasn't making repayments, which she found distressing. It offered £50 compensation for this, which he thought was fair.

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 agree with our investigator. I know Ms R is having a very difficult time, and I'm sorry for that. But, I don't think HSBC has behaved unfairly. It explained what the consequences of non-payment would be, which included the account defaulting, and this being recorded with the CRAs. I don't think it was unfair to record a default, when repayments hadn't been made for a significant amount of time.

I'm also satisfied that the £50 compensation for the phone call was fair, and reflects that Ms R found it distressing.

My final decision

It's my final decision not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 6 June 2025.

Elspeth Wood
Ombudsman