

## **The complaint**

Mr H complains that HSBC UK Bank Plc wrote to him asking him to reduce his overdraft usage and said it might reduce or remove his facility if he didn't.

## **What happened**

Mr H has held a current account with HSBC for several years with an arranged overdraft facility. In December 2024 HSBC wrote to Mr H saying it had reviewed his overdraft, and his usage of the facility was higher than it would like to see. It asked him to try to reduce the use of his overdraft and to keep the overdrawn balance to under £400 if possible. It said it wasn't changing his overdraft limit but that it would review his account again in six months – and may decide to reduce the limit if it still had concerns at that point. The letter also included details of organisations that could provide financial advice.

Mr H made a complaint. He said he could reduce his overdraft, but was unhappy with how HSBC had handled the situation and communicated with him. He said the letter felt threatening and didn't offer any form of support or empathy. He said he lives with depression and anxiety, and receiving a letter like this just before Christmas was very upsetting for him – as he felt HSBC was putting him under financial pressure. He said HSBC ought to have offered practical solutions – such as reducing his interest rate – instead of threatening to reduce his overdraft facility.

HSBC didn't agree it had done anything wrong. It said it carried out regular account reviews to make sure its facilities meet its customer's needs. It said it will contact customers if they make frequent use of their overdraft facilities, and didn't intend to cause any upset to Mr H.

Still unhappy, Mr H referred his complaint to this service. One of our Investigators considered the complaint but didn't uphold it. They said HSBC had a responsibility to ensure the amount it was lending was affordable for Mr H – and that it could carry out a review or reduce his overdraft at any time. They didn't have any concerns with how HSBC communicated with Mr H.

Mr H didn't accept the Investigator's conclusions. In summary, he felt HSBC should take a more proactive approach and consider ways to support its customers before demanding that they reduce their overdraft use. He was concerned about the impact this sort of correspondence could have on customers facing financial difficulties or mental health challenges. He also questioned why HSBC had only now decided that his overdraft usage was too high, as his account has often been at or near its overdraft limit for several years. Because Mr H didn't accept the Investigator's findings, the complaint has been passed to me to decide.

## **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 consider Mr H's complaint – and I've looked at how HSBC treated him as an

individual customer. Mr H has raised concerns about how HSBC manages its customers' accounts more generally. He's asked that it implement wider changes to the way it communicates with customers and the level of support it provides. If I were to find that HSBC made an error or treated Mr H unfairly, I'd consider the steps it should take to put things right for him. But it's not my role – or within the remit of this service - to direct HSBC to make wider changes to the way it communicates with its customers or the policies it puts in place.

Under the terms of the account, HSBC can reduce or withdraw Mr H's overdraft facility at any time. It isn't required to give him notice before doing so - but usually will where appropriate. Ultimately, it's for HSBC to decide how much credit it wishes to offer Mr H, and that isn't something I can interfere with. In this case, HSBC didn't – at the time of the complaint – reduce or withdraw Mr H's overdraft facility, but it asked him to try to reduce his use of the account to bring the overdrawn balance down.

I can understand why Mr H might be unhappy that HSBC asked him to reduce his overdraft, but an overdraft facility is intended to be used on a short-term basis. HSBC – like all lenders – has a duty to ensure its lending is responsible and affordable. I've seen Mr H's statements, and I can see that in the months leading to December 2024 he entered his overdraft facility on a regular basis – and often spent up to the limit on the account. HSBC's decision to review Mr H's account and ask him to reduce his borrowing is in line with the actions I'd expect it to take.

Mr H said he found the letter to be rude and threatening, as it effectively suggested that his overdraft facility would be reduced or withdrawn if he didn't pay back £900 within six months. I've considered the tone and contents of the letter, and I don't have any concerns about the way HSBC explained things to Mr H. While I'm sorry to hear that Mr H found the letter to be upsetting and felt that it placed financial pressure on him, I don't agree that HSBC did anything wrong by sending it. I haven't seen anything to suggest that HSBC intended to place any financial pressure on Mr H – it simply made him aware of the situation regarding his account and gave him notice that a further review would take place in future.

Mr H has asked why HSBC has only asked him to reduce his overdraft usage now – when he's consistently used his overdraft for several years. HSBC can carry out a review of its customers' accounts at any time, and I don't think the fact that HSBC hasn't asked him to reduce his borrowing previously means it made an error in doing so now.

So, while I appreciate this may come as a disappointment to Mr H, I don't think HSBC made an error or treated him unfairly by asking him to reduce his overdraft borrowing. Nor do I have any concerns about the way in which HSBC communicated this to Mr H. So, I don't uphold this complaint and won't be requiring HSBC to do anything further.

### **My final decision**

For the reasons I've explained, my final decision is that I don't uphold Mr H's complaint about HSBC UK Bank Plc.

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

Stephen Billings  
**Ombudsman**