

The complaint

Dr M complains about the way in which HSBC UK Bank Plc has administered her credit card account.

What happened

Dr M holds a Partnership Card credit card account with John Lewis. The account was opened in 2006 and was administered by HSBC until 2022.

In 2022 John Lewis parted ways with HSBC and partnered with NewDay. On 31 October 2022 all existing Partnership Cards became inactive and would be closed once paid off in full. Letters were sent to all customers advising of the closure and of the requirement to pay off the account balance.

Dr M says she made a manual payment of £400 at Peter Jones for the account in November 2022 because she couldn't see what the balance was and nor could Peter Jones customer service.

In July 2024 Dr M received a statement for her Partnership Card account. She was shocked to see that there was a balance with interest accruing. Dr M checked her bank accounts and saw that HSBC was taking a direct debit payment towards the balance each month.

Dr M contacted HSBC and requested an explanation of the debt and the interest. HSBC advised Dr M that the balance was correct.

Dr M cancelled her direct debit in August 2024 and raised a complaint with HSBC.

HSBC didn't uphold the complaint. It said it had reviewed the account, and it could see that Dr M had set up a direct debit for the minimum monthly payment in 2017. It said it could also see that Dr M had also made manual payments in addition to the direct debit payments. HSBC said that as of November 2022 the balance on Dr M's account was £617.70. It said £498.00 was paid manually on 5 November 2022 and the minimum monthly payment by direct debit was received on 3 November 2022 in the sum of £33.76. This left a balance on the account. HSBC said that since November 2022 it had received only the minimum monthly payment and as a result interest had accrued on the account as the full balance hadn't been paid. HSBC said it had issued statements every month since so it would've been possible for Dr M to see that there was a balance. HSBC said that online accounts were closed in June 2024 with all customers receiving paper statements from then on. HSBC said that because Dr M received a paper statement in July 2024, she must've been set up for paperless statements prior to this and it was her responsibility to go online and check the monthly statements. HSBC advised Dr M that as she had now cancelled her direct debit, she would need to make manual payments going forwards to clear the balance.

Dr M remained unhappy and brought her complaint to this service.

Our investigator didn't uphold the complaint. He said the statements showed that there was a balance on Dr M's account in November 2022 and that HSBC hadn't made an errors when

it said there was a balance to be paid.

Dr M didn't agree. She said she'd paid £400 in November 2022 not £498. She said she hadn't paid by direct debit after the account was closed in 2022 and that the direct debit had restarted without her consent in July 2024. Dr M said she hadn't been told what the balance was in October 2022 and that HSBC had never sent a statement to her when the account was closed in October 2022. Dr M said she was surprised to receive a statement in July 2024 after 20 months.

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 Dr M, but I agree with the investigators opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on those points which are most relevant to my decision. If I don't mention a 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.

I've reviewed the monthly statements for the account going back to October 2022. I can see that on the statement produced on 9 October 2022 the balance on the account was £1,906.85. Dr M had a direct debit set up to make the minimum monthly payment (£57.20). Dr M also made a manual payment of £800. After the addition of interest and some purchases, the balance remaining was £1,125.58.

The statement produced on 9 November 2022 shows a balance of £1125.58. After payment of the direct debit for the minimum monthly payment in the sum of £33.76, a manual payment to the account on 5 November 2022 in the sum of £498, a purchase of £7.95 at John Lewis and £15.93 interest, the outstanding balance was £617.70.

I can see that Dr M continued to make the minimum monthly payments each month. The account had an outstanding balance so – in accordance with the terms and conditions – interest was charged each month.

I appreciate that Dr M has told this service that she made a manual payment of £400 cash at Peter Jones in November 2022 to clear the account. I can't see any reference to that payment of £400 on the statements. This service asked Dr M to provide evidence that the payment was made but she hasn't been able to provide this. Based on the information available to me, I haven't seen any evidence that a further £400 was paid.

Dr M has also told this service that she didn't receive any paper statements, so she didn't know what the balance of the account was. This service asked HSBC to comment on this and it said that Dr M was set up for paperless, which meant that her statements were available to view via her online account. HSBC explained that all online accounts were closed in June 2024 which is why a paper statement was sent to Dr M in July 2024.

Dr M has said that she wasn't paying by direct debit after the account became inactive in October 2022. However, having reviewed the statements of account, I can see that Dr M had set up a direct debit for the monthly minimum payment and that this continued throughout 2022 and 2023 until it was cancelled in August 2024.

I appreciate that Dr M believes that the balance on the account was cleared in November 2022 and that the interest which has accrued on the account since then is incorrect. Having

reviewed the available information, I'm unable to agree. I can't see that Dr M cleared the balance on the account in November 2022. There was an outstanding balance of £617.70 in November 2022. Because Dr M made only the monthly minimum payments from thereon, interest was added to the balance. I'm satisfied that interest was correctly added as per the terms and conditions of the account.

I can see that Dr M stopped her direct debit in August 2024. She made a manual payment of £217.17 on 4 October 2024. After this payment was made, the balance on the account was £488.96.

Taking all the available information into account I'm unable to say that HSBC has made an error or treated Dr M unfairly. I'm unable to uphold the complaint.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 5 June 2025.

Emma Davy
Ombudsman