

The complaint

Mr H complains that HSBC UK Bank Plc has closed his credit card account.

What happened

Mr H held a HSBC Gold Mastercard Charge Card for many years. In March 2024, HSBC wrote to him to say that it would be closing his account. Mr H was unhappy that this meant he would lose the benefits associated with the card and would also need to change several direct debits. Ideally, Mr H wanted HSBC to reinstate the card. Failing that, he asked HSBC to compensate him for the inconvenience caused and loss of benefits such as travel insurance. Mr H was also unhappy that HSBC went on to reduce his credit limit from £10,000 to £2,000.

Before Mr H came to our service, HSBC apologised for incorrectly informing him that it would be sending a replacement card when this wasn't the case. After Mr H complained to us, HSBC offered Mr H £50 compensation to apologise for giving him wrong information and confirmed that he would need to apply for a new credit card.

Our investigator thought that HSBC's offer to pay £50 was fair. He explained that he could not interfere in HSBC's decision to offer Mr H a new credit card with a limit of £2,000.

Mr H remains unhappy with the investigation outcome. In summary, he says there is nothing in HSBC's card agreement which allowed it to unilaterally cancel the charge card. Mr H says that our investigator hasn't dealt with HSBC's refusal to supply a comparable card despite there being one available. And Mr H thinks it illogical that HSBC required him to apply for a credit card as a new customer.

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 appreciate that I have summarised this complaint in less detail than the parties and that I have done so using my own words. The rules that govern us, together with the informal nature of our service allow me to take this approach. But this doesn't mean I have not considered everything the parties have supplied to us.

As Mr H has helpfully explained the key matters which he considers remain unresolved, I will address these in order.

Withdrawal of the Gold Mastercard Charge Card

Mr H says that there is nothing within his agreement with HSBC which allowed it to unilaterally cancel his card. So, I asked HSBC to supply a copy of the latest applicable terms.

HSBC has sent us a copy of the terms effective from 13 January 2018. As Mr H has already identified in correspondence with us - Clause 11 deals with ending the agreement. Clause

11c provides that “This Agreement will also end when either of us gives notice in writing to the other...We will give you 30 days’ notice if we end his Agreement under this Clause 11c.” So, I am satisfied that HSBC had the right to end its’ agreement with Mr H subject to giving written notice.

HSBC has supplied evidence that it wrote to Mr H on two separate occasions to let him know what would happen. The first letter of March 2024 explained that the card would stop working on 24 September 2024. HSBC gave Mr H over seven months to make alternative arrangements – far more than the 30 days it was required to. It also explained that it would extend the travel insurance to cover any trips booked before 24 September 2025 without additional charge. I think this was reasonable. HSBC then sent Mr H a reminder letter on 14 August 2024. Again, I think that HSBC acted fairly by doing this.

As I don’t find that HSBC treated Mr H unfairly when it ended the agreement, I don’t require it to compensate him for any inconvenience or loss of associated benefits.

HSBC’s refusal to supply a comparable card

As our investigator told Mr H, HSBC no longer offers a charge card similar to the one which he previously held. I am satisfied that when HSBC wrote to inform Mr H that it was going to withdraw his charge card, it set out how to find a suitable alternative credit card. So, I can’t find that HSBC unfairly refused to supply Mr H with a comparable card as there was not one available.

Although Mr H is unhappy with the credit limit offered to him after he applied for a credit card, I can’t see that HSBC dealt with this aspect of his complaint in its’ final response letter of September 2024.

The setting of a credit limit is a commercial decision which HSBC is entitled to make after assessing a customer’s credit worthiness. But if Mr H remains unhappy with HSBC’s decision to offer a credit card with a £2,000 limit and/or the fact that his wife could not be immediately added as a second account holder, he would first have to raise these concerns with HSBC.

HSBC’s requirement that Mr H apply for a credit card as a new customer

I can’t fairly interfere with HSBC’s account opening procedures. As Mr H previously held a charge card rather than a credit card, it seems reasonable that he had to apply as a new customer, subject to HSBC’s usual account opening process.

For all the reasons outlined above, I don’t consider that HSBC should be required to give Mr H a comparable card or pay additional compensation.

Customer service

I agree that during the call in mid-August 2024, HSBC incorrectly told Mr H that it would be sending him a replacement card when this wasn’t the case. However, I weigh up against this the fact that when HSBC wrote to Mr H in March and August 2024 it explained that it no longer offered anything similar to the discontinued charge card. And that Mr H should look at its’ range of available credit cards which he could apply for subject to eligibility. So, I think it should have been clear to Mr H that he would need to apply for a credit card.

I understand that Mr H expected to receive the replacement card in time for his holiday in September 2024 but he was still able to use his existing charge card for some of the time, before resorting to an alternative card. So, the impact of not having a new HSBC credit card

would have been fairly minimal.

For the upset and inconvenience caused by HSBC giving Mr H the wrong information during the call, I consider its' offer to pay £50 is fair.

My final decision

My final decision is that I uphold this complaint and direct HSBC UK Bank Plc to pay Mr H £50 compensation if it has not already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 17 June 2025.

Gemma Bowen
Ombudsman