

## **The complaint**

Mr S complains that HSBC UK Bank Plc did not treat him fairly in the way it administered his mortgage and when it took possession of his home.

## **What happened**

In 2016 Mr S took out a mortgage for £299,250 with HSBC. The mortgage was in joint names with his now ex-partner. In 2018, the mortgage was switched to a fixed rate of 3.94% until 30 November 2020. It then reverted to HSBC's variable rate until November 2023. A tracker rate 0.14% above the Bank of England base rate was in place.

In 2020, the mortgage fell into arrears. In 2023 HSBC obtained a possession order. In October 2024, HSBC took possession of the property. It then marketed the property for £400,000. In January 2025 HSBC accepted an offer of £385,000 to buy the property.

Mr S complains that HSBC:

- Declined his request to borrow money secured against the property.
- Refused to remove his ex-partner from the mortgage.
- Unfairly charged excessive interest.
- Unfairly took possession of the property.
- Cleared his personal belongings from the property.
- Undervalued the property.

Mr S wants HSBC to refund the interest it has charged, amend his credit file and compensation for damage to his property.

I issued a jurisdiction decision explaining that we could not look at the complaints about the refusal to remove his ex-partner from the mortgage before 4 May 2021, interest or arrears applied before 6 January 2023 or the overall service provided by HSBC before 15 February 2024.

The investigator did not think the complaint should be upheld. Mr S did not accept what the investigator said.

## **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.

### Additional borrowing

The evidence we have shows that in September 2020 Mr S applied for an unsecured loan with HSBC and it declined the application. It said the reason for the decline was that you failed its credit score, you had missed mortgage payments and had high amounts of unsecured debt. I am satisfied that HSBC had legitimate reasons to decline the application.

I haven't seen any persuasive evidence that there has been any formal application to HSBC for additional secured borrowing. In any event, it seems unlikely it had any chance of being approved. I say that as the mortgage was in arrears. And as it remained in joint names, it would need Mr S's ex-partner to agree to the borrowing or for them to be removed from the mortgage. As I will set out below, both those scenarios seem unlikely. I don't consider HSBC has treated Mr S unfairly. There is no evidence of an application - and it had no realistic prospect of success in the circumstances.

HSBC was obliged to let Mr S borrow money even if there was sufficient equity in the property. It would always have been required to carry out an affordability assessment before doing so.

#### Removing ex-partner from the mortgage.

I can't consider a complaint about any request to remove Mr S's ex-partner from the mortgage before 4 May 2021.

Even if an application had been made and considered by HSBC I don't think it had any realistic prospect of success. It would need to be satisfied that switching to Mr S's sole name was in his best interests - and that included that the mortgage was affordable and sustainable. I think it would be difficult for HSBC to decide that was the case bearing in mind how the mortgage was conducted. In any event, the evidence we have does not support that Mr S's ex-partner would agree to be removed from the mortgage.

#### Interest.

I can only consider the interest applied after 6 January 2023. Mr S's mortgage had reverted to HSBC's variable rate in 2020. It was for Mr S to apply for a new concessionary interest rate if he wished. There is no evidence that he did so until November 2023, when HSBC gave him a new interest rate that tracked the Bank of England base rate.

I think HSBC took reasonable steps to make Mr S aware he could choose a new rate. For example it wrote to him in March 2023 to say he could switch rates if he wished.

I can't see that any of the interest rates that HSBC applied since January 2023 were unfair or excessive. They were in line with comparable products offered on the market and reflected that interest rates increased generally since 2022.

The reason Mr S's mortgage balance has increased is that he did not make payments for some time and HSBC applied fees and costs it had incurred.

#### Repossession

When a mortgage falls into arrears, lenders should treat borrowers fairly. That usually involves gathering information about the borrowers' income and expenditure and exploring if there are any concessions or arrangements that could get the mortgage back on track. But it is a two-way street. A solution can only be found if both sides meaningfully engage with each other. And that is the main reason why a solution could not be found here. Ultimately Mr S refused to engage with HSBC while his partner remained on the mortgage. While some payment arrangements were made, they were not maintained. In view of that and the level of

arrears, it was reasonable for HSBC to take legal action. I am satisfied it was reasonable for it consider that was a last resort in the circumstances here.

A court granted a possession order and warrant for eviction. I can't change or overturn the court's orders or judgments. If Mr S thinks the orders were granted incorrectly he should get legal advice.

HSBC said the eviction was difficult. I can understand why Mr S was unhappy with what happened and why he perceives he was treated unfairly. But HSBC said that meant that a number of bailiffs (along with the police) had to attend the eviction. That increased the costs. But I can't see any evidence to support that there was any undue damage caused by the process.

HSBC Is entitled to pass on all of its costs in taking possession of the property – that includes legal costs, the cost of evicting Mr S and of storing his belongings. I have not seen any evidence that those costs or excessive or unfair in the circumstances.

HSBC Is obliged to record true and accurate information on Mr S's credit file. That will include that the mortgage was in arrears and defaulted. It is reasonable for HSBC to record such information.

#### Personal belongings

HSBC said it had to remove Mr S's belongings from the property because it was not safe for its contractors. I am satisfied that its agents told Mr S where the belongings were stored and what he needed to do to collect them. It gave sufficient notice that it was going to clear the belongings if Mr S did not collect them.

I can't see there was any error by HSBC.

#### Valuation and sale of the property

HSBC marketed the property in line with the valuations it received. It accepted an offer for £385,000. I consider it acted reasonably in accepting the offer. It had to balance achieving a fair price against letting the debt increase. HSBC has deducted the fees it incurred in repossessing the property from the surplus remaining after the mortgage was repaid. It is entitled to do so.

**My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 8 August 2025.

Ken Rose  
**Ombudsman**