

## **The complaint**

Mr W complains HSBC UK Bank Plc has reported adverse information about his credit card account to credit reference agencies.

## **What happened**

In November 2017, Mr W entered into a Debt Arrangement Scheme (DAS), which included his HSBC credit card account.

Mr W says that since then he's been in a payment arrangement with HSBC but hasn't maintained his contractual payments under the credit agreement. Mr W says HSBC should have defaulted his credit card account when he entered the DAS, as he hasn't made payments in line with the agreement since.

Mr W says had HSBC done this, as a default is only recorded on his credit file for six years, it would have now dropped off. Mr W is unhappy that rather than doing this, HSBC has continued to report that the account is active, and that he's missed payments. He says this is having an adverse impact on his credit file.

HSBC doesn't agree it made an error in not defaulting the agreement. It says its policy is that when a consumer enters a DAS, it doesn't default the agreement, rather reports any reduced or missed payment to credit reference agencies. In response to Mr W's complaint, HSBC said it would remove any missed payment markers from Mr W's credit file from 2019 and paid £75 compensation.

Unhappy with HSBC's response, Mr W referred his concerns to the Financial Ombudsman. One of our Investigator's looked into what happened and thought HSBC's response was reasonable, so didn't recommend it do anything further.

Mr W disagreed. He said a number of other creditors had defaulted his agreements when he entered the DAS in 2017 and this was standard practice. Mr W said HSBC's continual reporting was having an adverse impact on his credit file, which was unfair.

As the matter wasn't resolved, 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.

I've given consideration to the relevant rules and regulations applicable to this complaint and while I may not comment on everything (only what I consider is key) this is not meant as a discourtesy to either party, rather reflects the informal nature of our service.

Having done so, I've reached the same conclusions as our Investigator for broadly the same reasons. I appreciate this answer will likely come as a disappointment to Mr W, but I won't be directing HSBC to default his agreement or backdate this.

The Information Commissioner's Office (ICO) says that when a consumer is at least three months behind with their payments then a default may be registered. It also says it would expect a default to be registered by the time the consumer is six months behind with their payments. This is to reflect that the agreement has been broken between the two parties: Mr W and HSBC in the circumstances.

However, as Mr W entered a DAS, I haven't seen that the agreement was broken, rather Mr W entered into a government backed payment arrangement. I don't then find HSBC is unreasonable in its decision not to default the agreement. Mr W entered into a formal arrangement to pay back the outstanding balance which he's maintained.

I've taken on board Mr W's comment that other creditors may have acted differently, however in this complaint I'm considering the actions of HSBC and haven't found its actions to be unreasonable.

HSBC removed any missed payments from Mr W's credit file to April 2025 when responding to his complaint, which is the period I'm limited to considering in my decision. I think this is fair in the circumstances as Mr W has maintained his payments as determined by the DAS. Consequently, I don't then find that HSBC has recorded incorrect or adverse information about his payment history to the CRAs for the period complained about.

HSBC paid Mr W £75 compensation to acknowledge any inconvenience caused. As I don't find HSBC needs to do anything further, I find this fair in the circumstances.

In conclusion, the information that HSBC has now reported to CRAs is that Mr W has an outstanding balance on his credit card account, which he's making payments towards on a monthly basis. As this is a fair reflection of the status of Mr W's account, I don't then find HSBC had made an error or that it must do anything further in relation to this complaint.

### **My final decision**

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 4 February 2026.

Christopher Convery  
**Ombudsman**