

## **The complaint**

Mr N complains about the administration of his credit card account by HSBC UK Bank Plc.

## **What happened**

Mr N holds a credit card account with HSBC; he's unhappy about the information it's recorded on his credit file. In summary, by recording incorrect adverse information, Mr N believes HSBC to have:

- Impacted his personal relationship.
- Impacted his performance at work and, more broadly, his overall career.
- Caused significant issues in obtaining a mortgage.
- Caused reputational damage – particularly with his mortgage broker and potential lenders.
- Caused a financial loss – specifically, an early repayment charge (“ERC”) of £5,000; which he said he paid to an existing lender after it didn't approve an application to port his mortgage to a new property.

Mr N has raised several complaints about this, and other matters, and he's been issued with numerous responses. HSBC has:

- Accepted that Mr N's credit card was duplicated on his credit file.
- Removed the duplicate record.
- Removed some missed repayment markers as a gesture of goodwill.
- Offered Mr N further compensation – in addition to amounts already paid – of £1,000 for any distress and inconvenience caused.
- Issued at least one letter of correction for Mr N to pass to his mortgage broker and potential lender(s).

Mr N remained unhappy, and he referred his complaint to this Service. He said he didn't think HSBC's actions did enough to put things right, and he asked for compensation of £50,000. An Investigator here looked at what had happened; having done so, they didn't think HSBC needed to do anything more. The Investigator said:

- There's no dispute that Mr N's credit card was erroneously duplicated on his credit file. HSBC accepted this was an error.
- The bank had, though, quickly taken action to address that – once aware of the problem – and said it would remove the duplicate record within 48 hours.
- HSBC had written a letter of correction which Mr N could pass to any relevant party.
- It had since offered a substantial amount of compensation: £1,000. That was on top of other compensation already paid.

- Mr N had told us that the duplicate reporting had occurred again, while the complaint was with our Service; HSBC had been questioned about this and had indicated that any new error wasn't of their making, but that of a Credit Reference Agency ("CRA"). In any case, any new events Mr N was unhappy with would fall outside the scope of this complaint – and would need to be raised with the bank in the first instance.
- Overall, HSBC took all appropriate remedial action quickly and offered substantial compensation. In the circumstances, it had reached a fair and reasonable resolution to Mr N's complaint.

Mr N disagreed, and he thought our Investigator had underestimated the impact to him – particularly around consequential and financial losses. So, as no agreement has been reached, Mr N's 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.

At the outset, before I move to address the merits of Mr N's complaint, I'll say that I know how strongly he feels about this matter; I've seen that he's provided a significant level of testimony. I want to be clear that I have read and considered all that Mr N has said and provided, but I haven't commented on each and every statement he's made. Instead, I've focussed on what I deem to be the crux of the matter. That's because our role is to be an informal service; I don't intend any discourtesy in my approach, it's simply to align with that purpose.

This matter has, clearly, been an evolving situation; Mr N's raised multiple complaints covering adverse information recorded against him, as well as other issues – like an allegation of irresponsible lending, for example. With that in mind, it's important to be clear that this decision focusses only on HSBC's recording of adverse information on Mr N's credit file. I make no comment or finding on any other matter he's unhappy about, such as irresponsible lending. As I understand it, that's being dealt with separately.

Here, I don't think there's any dispute that something did go wrong with HSBC's reporting to CRAs. I've seen his credit card was duplicated as an entry, and I've also seen that missed repayment markers were recorded too. For clarity, I'll say that I'm not going to make a finding on whether those missed repayment markers were fairly recorded or not; that's because HSBC agreed to remove them regardless as a gesture of goodwill. In short then, my focus here is not on whether HSBC made a mistake at any point. All parties agree it did. Rather, it's on whether the bank has done enough to put things right for Mr N.

Mr N has said he wants much more compensation than he's been offered. He's given a figure of £50,000 broken down into various parts, covering the different aspects of his life which he considers were impacted. I set those out in the background section above.

I'm sorry to disappoint Mr N here, but I'm not going to recommend that HSBC pay him £50,000. By its very nature, the "right amount" of compensation is highly subjective; the value Mr N puts on any alleged consequence of HSBC's actions is specific to him alone. Indeed, that's if it's even possible to quantify. Mr N himself has acknowledged this to some degree, I've seen he told HSBC that no amount could fix what happened – but he's also said

that £50,000 is what he'd think reasonable.

Setting that aside for the moment, I think it significant to explain that my role here is to look at things objectively, and holistically, and determine what is a fair and reasonable resolution to this dispute. Put simply, I must step back from the emotion and, instead, remain impartial. Looking at what happened through that lens, this matter was clearly distressing and inconvenient for Mr N – of that there's no doubt, and I'm satisfied some compensation is warranted. The fact is, though, that I simply don't have any persuasive evidence which allows me to conclude Mr N's performance at work, for example, or subsequent issues in his relationship, were solely a result of what happened here. Any number of other factors could be influencing those aspects, not just HSBC.

I am, of course, sorry to read of the issues he's described to us – but overall, I'm satisfied HSBC's offer of £1,000 compensation, on top of other sums already paid to him, is absolutely a fair and reasonable amount to reflect the distress and inconvenience caused. In fact, it's a considerable sum; more than I would have awarded if not already offered.

Aside from those subjective elements, Mr N has said he had to pay a £5,000 ERC to a lender. Mr N sees that as a direct financial loss, resulting from adverse information recorded by HSBC. While I don't have any conclusive evidence showing Mr N made that payment, I don't have any reason to doubt him when he says he did pay it; on the other hand, I don't have anything from the mortgage lender in question either. Crucially, I've nothing to show that the mortgage lender was explicit in its reasoning, when it decided not to approve Mr N's porting application, that such a decision was *solely* because of HSBC's reporting; after all, many aspects are taken into account when lenders assess such applications. Without that definitive evidence, I think much of this part of the complaint comes down to speculation.

Mr N will, no doubt, disagree with that – and I can understand why. He's provided a letter from his mortgage broker which outlines how HSBC did impact his credit file and, in the broker's opinion, his mortgage application(s). The broker also reveals, though, that they and Mr N “...*managed to manoeuvre around* [HSBC's error] ...”. I don't know exactly what that entailed, but it suggests a solution was found. More broadly, the broker isn't the mortgage lender – so, their opinion here of the reasoning for *the mortgage lender's* actions only carries so much weight.

From what I can tell, to help mitigate the situation, it seems HSBC issued two letters of correction: one presumably addressing missed repayment markers, and the other addressing duplicate reporting. I've only been provided a copy of one, about the duplication, but regardless, from the available internal notes it seems both were issued within days. HSBC also confirmed that information recorded with CRAs would be amended and/or removed as a matter of urgency, within 48 hours. None of that, in my view, is inherently unreasonable – and is the kind of corrective action I'd expect to see – even if, ideally, it wouldn't have been necessary. So, based on what I have available, I think HSBC took appropriate steps to help mitigate Mr N's situation.

I haven't seen that Mr N's potential mortgage lender wasn't open to reconsidering his application in light of a letter of correction from the bank. I've seen nothing either to suggest Mr N passed that lender one letter, or both, so they could reassess. Even if doing so wouldn't have guaranteed a successful application, if he didn't, I can't be wholly satisfied that Mr N did everything to mitigate his own position with that lender and, fundamentally, I'm left

to conclude that it was his decision to proceed along another route. On balance then, with all of that in mind, there's enough uncertainty here to prevent me from safely concluding that HSBC should reimburse Mr N the £5,000 ERC he says he paid.

Finally, I noted how Mr N told our Investigator that the same reporting issues have since reoccurred. HSBC has said that if problems have reoccurred then it's likely down to issues with a CRA; I've not been provided anything which gives me reason to doubt that but, in any event, I can't comment on any recent disputes here. This would be a new event, which HSBC – or any other potentially responsible party – would need to be given the opportunity to address first. So, I'll leave it to Mr N if he wishes to follow this up if indeed the situation remains the same.

In closing, what I've set out here will surely disappoint Mr N. I'm sorry for that, but it's for the reasons I've explained that I think HSBC has done enough to put things right – at least in terms of what I'm able to consider here. As I understand it, HSBC's last offer to Mr N – that being £1,000 compensation – is still available to him, and I consider that to be a more than fair and reasonable amount in the circumstances. So, while I won't formally award it here, I'll leave it to Mr N to contact HSBC if he does now decide to accept it.

### **My final decision**

My final decision is that I don't uphold Mr N's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 12 September 2025.

Simon Louth  
**Ombudsman**