

The complaint

Mr G is unhappy that HSBC UK Bank Plc defaulted his account.

What happened

Mr G had an account with HSBC that fell into arrears. On 31 March 2025, HSBC issued a default notice to Mr G which explained that Mr G needed to clear the arrears present on his account by 21 April. Mr G didn't clear the arrears on his account by that date, which led HSBC to issue a final demand, whereby Mr G was required to clear the full outstanding balance of his account by 12 May.

Mr G did then make a payment to his account, on 25 April, but the payment only cleared the account arrears and didn't clear the full account balance as per the HSBC's requirements as stated in their final demand. Mr G also didn't make any further payments before the 12 May deadline, meaning that he didn't repay the full account balance by the required date. Because of this, HSBC defaulted his account. Mr G wasn't happy about this, so he raised a complaint.

HSBC responded to Mr G but didn't feel that they'd done anything wrong by administering his account and following the collections and recoveries process that they had. Mr G disagreed, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that HSBC had acted unfairly and so didn't uphold the complaint. Mr G remained dissatisfied, so the matter was escalated to an ombudsman for a final decision.

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.

Having done so, I won't be upholding this complaint or instructing HSBC to take any further or alternative action. This is because I feel that HSBC have fairly defaulted Mr G's account.

Mr G may point out that he did make a payment to clear the account arrears. However, the deadline for him to make this payment was 21 April, and he didn't make the payment by that date. Importantly, because Mr G didn't clear the arrears by 21 April, HSBC issued a final demand, requiring repayment of the full account balance by 12 May.

This means that when Mr G did make the payment to clear the arrears – which he did on 25 April – the circumstances of his account had changed and that payment was no longer sufficient to prevent his account from being defaulted. This is because by 25 April HSBC had issued their final demand which meant that full repayment of the outstanding account balance was now required.

I've listened to several phone calls between Mr G and I'm satisfied that Mr G was aware of the default notice and did understand that he needed to clear the account arrears by 21 April

to prevent matters progressing. I also note that HSBC asked to conduct an income and expenditure assessment with Mr G on multiple occasions, which might have enabled them to provide alternative arrears repayment options to Mr G, but that Mr G declined HSBC's request. As such, I feel that Mr G unfortunately missed several opportunities to prevent the defaulting of his account, and I don't feel that HSBC acted unfairly.

Mr G has also said that he wanted to make the arrears payment in HSBC's mobile app, but couldn't because of a technical issue, which meant that he had to visit a HSBC branch and which thus delayed his payment. But there were several other methods by which Mr G could have paid HSBC, and I'm satisfied that the onus was on Mr G to have ensured that he made the arrears payment by the required date.

Ultimately, Mr G didn't meet his contractual payment obligations on the account and didn't comply with the arrears repayment requirement set out in the default notice or the requirement to repay the full account balance as set out in the final demand within the required timeframes. Because of this, I don't feel that HSBC have acted unfairly by defaulting Mr G's account, and so I won't be upholding this complaint.

I realise this won't be the outcome that Mr G was wanting, but I hope that he will understand, given what I've explained, why I've made the final decision that I have.

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 G to accept or reject my decision before 16 October 2025.

Paul Cooper
Ombudsman