

## **The complaint**

Miss B complains that HSBC UK Bank Plc (“HSBC”) unfairly applied a default as she didn’t receive any notification letters from them.

## **What happened**

Miss B had an overdraft with HSBC. Her credit limit was £1,000 and Miss B hadn’t paid anything into the account since at least December 2023.

In 2024 HSBC began writing to Miss B regarding how the account was used, and offering support to help her to lower the balance on the overdraft.

In August 2024, Miss B balance exceeded the overdraft limit. HSBC continued to write to Miss B, but also attempted phone calls, sent emails and text messages to her to try and advise her the account had gone overlimit and the potential consequences of this.

Miss B was suspicious of the calls and wouldn’t pass security with HSBC so no conversation took place about what was going.

In December 2024 HSBC defaulted and sold the account. Miss B then complained in January 2025 after she said she received a letter from a third party debt collector.

Miss B said she hadn’t received any letters from HSBC as she no longer lived at the address they were writing too. She feels it’s unfair that a default has been applied and she would like the default to be removed.

HSBC responded to the complaint in February 2025 rejecting the complaint. They said it was her responsibility to ensure the address was up to date and the information recorded is an accurate reflection of what’s happened.

Miss B was unhappy so she referred the complaint to our service. An Investigator here looked into things. They believed HSBC had acted fairly when applying the default and passing on the account.

In response to the opinion, Miss B said she was going through a period of change at the time which led to a genuine oversight rather than her being financially negligent. She said her preferences for communication was digital and she relied on this. She maintained that the default should be removed.

Because an agreement couldn’t be reached, 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 want to start by saying that it's very clear to me just how important this matter is for Miss B. She has set out her position in great detail and has provided lots of supporting information. I think it's important I explain that whilst I have read and considered all the information provided by both parties, I've outlined my findings in considerably less detail. I don't mean any discourtesy by this, rather this reflects the informal nature of our service.

Having done so, I'm in agreement with the Investigator that HSBC have acted fairly. I know this is likely to come as a disappointment to Miss B, but I'll explain my reasoning below.

While I appreciate Miss B said she changed addresses, it's the responsibility of the customer to keep HSBC updated about address changes. Miss B has said her preference for communication was digitally, however I don't think this would've made a difference in this circumstance. I say this because HSBC's policy is to send notices of default by post.

In addition to this, HSBC did send Miss B text messages in August and September 2024 advising her she was over the limit, so while Miss B said she acted as soon as she knew, I think she ought reasonably to have been aware there was an issue with the account as early as August 2024.

Miss B also used online banking to log in and review her accounts. At this point I would've expected Miss B to see that the account was over the agreed credit limit, even if she hadn't seen copies of the letters. HSBC were also attempting to make contact with her by telephone and asked her during the calls to go to branch.

I appreciate Miss B saying she was concerned about scam callers, but HSBC advised her on the phone to go into branch, at which point I would've expected Miss B to reasonably assume the call was genuine.

Miss B has said as soon as she became aware of the issue, she made payment, however no payment had been made to the account after January 2023, despite direct debits going out, and HSBC were unable to make contact with Miss B and so I can't say HSBC ought reasonably to have expected to know Miss B was in a position to pay down the overdrawn amount.

Overall, having reviewed everything, I think HSBC acted fairly by attempting to reach out to Miss B by various methods of communication, and have followed the guidelines set by the Information Commissioner's Office (ICO) around reporting arrears and defaults. I'm sorry Miss B was going through a period of change, but I can't reasonably conclude that HSBC have acted unfairly in the circumstances of this complaint.

### **My final decision**

It's my final decision that HSBC Bank UK Plc didn't treat Miss B unfairly when defaulting her account.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 27 August 2025.

Meg Raymond  
**Ombudsman**