

The complaint

Mr W complains that HSBC UK Bank plc ('HSBC') incorrectly advised him he didn't have a credit card account, leading to a late payment and financial loss.

Mr W wants an explanation, an apology, and compensation for his financial loss, distress and inconvenience.

What happened

Mr W complained to HSBC that they'd told him he didn't have an account with them. He said this had caused worry and he missed a payment which led to a negative entry on his credit file.

HSBC said they'd misadvised Mr W his credit card account was closed and offered him £75 compensation. They refunded the £12 late payment fee he'd incurred. HSBC later identified Mr W had two online profiles with them and one was defunct, which was why Mr W couldn't see his credit card account in their banking app and why he'd been misadvised on their online chat.

Mr W referred his complaint to the Financial Ombudsman Service highlighting the distress and inconvenience caused and the loss of his promotional interest rate. Our investigator considered HSBC had acted unfairly and needed to put things right by amending Mr W's credit file, restoring his promotional interest rate, refunding any fees and interest due to the late payment, and paying Mr W £100 in total for his distress and inconvenience.

HSBC responded that Mr W's promotional interest rate was unaffected, and they'd refunded the late payment fee. HSBC confirmed Mr W hadn't been charged any interest. HSBC agreed to pay Mr W £100 and amend his credit file.

Mr W thought his compensation should go further. He said he'd paid off his credit card balance using his savings as he'd lost the benefit of the 0% interest rate. Mr W thought he should be refunded the £100 balance transfer fee – as he no longer could benefit from this – and the 5% interest that would have accrued on his savings if he hadn't used them. Mr W also complained HSBC hadn't sent him his chat transcripts or refunded an overpayment.

Our investigator didn't change her view on how this matter should be resolved. She thought £100 compensation and an amendment to Mr W's credit file was a fair and reasonable resolution to Mr W's complaint. Mr W disagreed, and sought an ombudsman's 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.

I've taken into account any relevant law and regulations, the regulator's rules, guidance and standards, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

Having done so I am of the same view as our investigator about how this matter should be resolved. I think HSBC should now pay Mr W £100 for his distress and inconvenience, and amend his credit file. But I don't think they need to do more than this, and I'll explain why.

It's clear from the evidence that Mr W has two online profiles with HSBC and the reason he couldn't see his credit card in the app was because he'd logged in using the defunct profile rather than the active one.

I agree with our investigator's findings that HSBC could have reasonably identified this was the issue sooner. Mr W suggested to HSBC that they search his name and address to find his account in early January 2025, but this was only done when his complaint was investigated. I've seen the online chat transcripts and Mr W was told many times that his account didn't exist and his credit card was closed. I think this caused Mr W distress and inconvenience and he missed a payment date because of what he'd been told.

So what I need to consider here is how to fairly put things right. I note HSBC refunded the late payment fee, and there was no interest charged so this doesn't need refunding. I think it's fair that negative data on Mr W's credit file relating to his late payment is also removed. HSBC said they'd remove any negative entries between December 2024 and June 2025, which I think is reasonable.

HSBC accept they misinformed Mr W and offered him £75 compensation. I don't think that went far enough and I agree that £100 for Mr W's distress and inconvenience is a fairer sum. This is to reflect Mr W's ongoing frustration with being told his account was closed, when using the online chat.

I recognise that Mr W feels this is too low for the trouble he's had. The £100 compensation I award is not to compensate Mr W for the issues obtaining his HSBC chat transcript. I can only consider the complaint that HSBC have had a chance to answer and the issues with the chat transcript occurred after this complaint was made. I think Mr W will need to complain to HSBC about the provision of chat transcripts before the Financial Ombudsman Service can consider this.

I don't think Mr W should be refunded £100 for the balance transfer fee as he did have the benefit of this facility. Mr W said he felt forced to repay his credit card to avoid paying interest, but I don't think Mr W lost his interest promotion. I've not seen enough evidence to persuade me that HSBC misled Mr W about his interest promotion or pressured him to pay his full balance.

I say this because HSBC sent Mr W a letter about his missed payment but this didn't confirm the loss of his promotional rate. Mr W's referred to another letter confirming an increased APR but I don't think this affected his promotional rate. Mr W's statements for the relevant period all show that he wasn't charged interest.

Mr W had complained about losing his promotional interest rate but paid his balance before he had HSBC's reply to his complaint. I haven't seen any evidence that Mr W made further contact with HSBC asking if he'd lost his promotional rate before using his savings to pay, although he was engaging with them about his complaint and the chat transcripts.

Taking all those factors into account, I don't hold HSBC responsible for how and when Mr W chose to repay his credit card balance. I am sorry to disappoint Mr W but I won't require HSBC to compensate him for this element of his complaint.

I'm aware Mr W has overpaid his credit card by about £700. HSBC wrote to Mr W on 25 June 2025 setting out how to arrange a repayment. If this hasn't been arranged or processed, I think Mr W will now need to contact HSBC.

Putting things right

HSBC UK Bank plc must:

- (i) pay Mr W £100 in total for his distress and inconvenience (so if £75 has been paid, a further £25 should now be paid); and
- (ii) remove any negative markers being reported to the Credit Reference Agencies for Mr W's account between December 2024 and June 2025

My final decision

For the reasons I've given, HSBC UK Bank plc must put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 20 October 2025.

Clare Burgess-Cade
Ombudsman