

The complaint

Mr F complains that HSBC UK Bank Plc provided him with an unaffordable credit card.

What happened

HSBC provided Mr F with a credit card with a limit of £4,000 in January 2018. HSBC has said the credit limit was never increased.

Mr F complained to HSBC in April 2025 about irresponsible lending. He said had it completed proportionate checks before providing this credit card it would have identified the lending was unaffordable for him. Mr F has said HSBC therefore made an unfair lending decision. Mr F also set out a concern about HSBC pursuing him for repayment of the debt even though he was in an active Individual Voluntary Arrangement (IVA).

HSBC issued a final response in May 2025 in which it didn't uphold Mr F's complaint, saying it had been made outside of the regulatory timescales for complaining. Unhappy with HSBC's response Mr F referred his complaint to our service for review.

One of our investigators looked at the details of this complaint and considered it was reasonable to interpret it to be about the fairness of Mr F's relationship with HSBC. As such they went on to review the details of the complaint on this basis. Having done so, they didn't consider HSBC had acted unfairly in its lending decision, or in any other way, so they didn't uphold the complaint.

HSBC didn't respond to our investigator's view; Mr F responded and disagreed. In summary, he set out that he considered he had complained to HSBC within three years of when he was reasonably aware of his cause for complaint; and that HSBC's lending decision ultimately led to him entering the IVA. Mr F asked for an ombudsman's review, so 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.

The information in this case is well known to Mr F and HSBC, so I don't intend to repeat it in detail here. I'd like to assure both parties I've carefully reviewed everything available to me even though I may not have commented on it, because I've focused my decision on what I consider to be the key points of this complaint. I don't mean to be discourteous to Mr F or HSBC by taking this approach, but this simply reflects the informal nature of our service.

Initially I think it's helpful for me to set out that there are time limits for bringing a complaint to our service, and HSBC has said this complaint was referred to us late. Our investigator set out within their view why they didn't think we could look at a complaint about this lending decision that HSBC had made more than six years before the complaint was made.

But they also went on to explain why it was reasonable to interpret Mr F's complaint as being about an unfair relationship as described in section 140A (s.140) of the Consumer Credit Act 1974 (CCA); and why they therefore considered Mr F's complaint about an allegedly unfair lending relationship had been made to us in time.

I agree with our investigator that I have the power to look at Mr F's complaint on this basis.

I acknowledge Mr F has said he had no reasonable knowledge that HSBC could be responsible for providing him with unaffordable lending until around the time he made his complaint in 2025; and therefore, he couldn't reasonably have made his complaint earlier.

While I don't doubt Mr F's testimony around his awareness of his cause for complaint in 2025, I'm persuaded that he *ought reasonably* to have had an awareness of his cause for complaint earlier.

I say this because it's generally well accepted that an individual knows they can complain about something if they're unhappy with a product or service they've received. Mr F's testimony is that he was struggling financially before he was accepted for this card, and had intended to use the credit to pay off other lending. I've also seen that in Mr F's complaint to HSBC he said the limit was significantly higher than he had expected to have been provided. He's also said had HSBC completed better checks it would have identified this lending was unaffordable for him. Mr F got into financial difficulties and ultimately entered an IVA in 2020.

As such I consider Mr F ought reasonably to have been aware of a problem – that this account was unaffordable for him – and that he was suffering a loss through the application of interest and possibly charges. I also consider Mr F ought reasonably to have considered, at least in part, that it may have been something HSBC did (or didn't do) when giving him this credit that had caused this problem. I say this given he's said it was unaffordable for him and that he was already struggling financially, suggesting that he would have been aware that further lending would only act to increase his financial problems.

So, by the latest I consider Mr F ought reasonably to have had an awareness of his cause for complaint by 2020 when he got into financial difficulties and entered an IVA. This means Mr F had until 2023 to make his complaint under the three year part of the rule; which therefore doesn't give him more time to complain than the six year part of the rule.

I can still look into complaints made outside the time limits if I'm satisfied the failure to comply with them was due to exceptional circumstances. Apart from the testimony I've set out above, Mr F hasn't made us aware of any exceptional circumstances which prevented him from making his complaint within the regulatory timescales.

However, I'm satisfied Mr F's complaint can reasonably be considered as being about an unfair relationship; as his complaint is that HSBC didn't complete checks in line with its regulatory obligations, which led to lending being unfairly provided.

The provision of this credit card may have made the relationship between Mr F and HSBC unfair, as he may have paid more in interest and charges than he could afford. I acknowledge HSBC doesn't agree we can look at any events more than six years before Mr F's complaint was made, but as I don't intend to uphold this complaint I won't be commenting on this further.

In deciding what's fair and reasonable I'm required to take into account, amongst other matters, relevant law. As I consider Mr F's complaint is about the fairness of his relationship with HSBC, relevant law in this case includes s.140A-C of the CCA.

S.140A says a court may make an order under s.140B if it determines that the relationship between the creditor (in this case HSBC) and the debtor (Mr F), arising out of a credit agreement is unfair to the debtor because of one or more of the following, having regard to all matters it thinks relevant:

- any of the terms of the agreement.
- the way in which the creditor has exercised or enforced any of his rights under the agreement.
- any other thing done or not done by or on behalf of the creditor.

Case law shows that a court assesses whether a relationship is unfair at the date of the hearing, or if the credit relationship ended before then, at the date it ended. That assessment has to be performed having regard to the whole history of the relationship. HSBC has confirmed the relationship is ongoing, and more recently it has been pursuing Mr F for repayment of the outstanding debt.

S.140B sets out the types of orders a court can make where a credit relationship is found to be unfair – these are wide powers, including reducing the amount owed or requiring a refund, or to do or not do any particular thing.

Given the details of Mr F's complaint, I need to consider whether HSBC's decision to lend to him, or any other actions it may have taken, created an unfairness in the relationship between him and HSBC; and if it did, whether HSBC took reasonable steps to remove that unfairness.

We've set out our approach to complaints about irresponsible and unaffordable lending as well as the key rules, regulations and what we consider to be good industry practice on our website. I've followed this approach when considering Mr F's complaint.

Having done so, I don't consider HSBC made an unfair lending decision when providing Mr F with this credit card. I say this because:

- HSBC hasn't been able to provide us with the details of the checks it completed before providing this credit. While I don't consider that to be unreasonable, given the time that's passed and the data retention obligations on it, it does mean I can't safely conclude the checks were proportionate.
- If HSBC had completed proportionate checks, I don't think it's likely these would have shown it was unfair to provide this lending to Mr F.
- I say this as I've reviewed Mr F's bank statements covering three months before this lending event. I'm not suggesting HSBC needed to have obtained Mr F's bank statements in order to have completed proportionate checks; but in the absence of any other available information I consider these bank statements allow me to obtain a reasonable understanding of what proportionate checks into Mr F's financial circumstances at the time would more likely than not have shown HSBC.
- Mr F's income, non-discretionary expenditure and commitments to existing lines of credit are evidenced within the statements. On average across the three months, I'm satisfied that the income and expenditure evidenced suggests Mr F had a reasonable level of disposable income to sustainably afford the repayments to this credit card.

- I acknowledge these statements do show some high cost lending being obtained; and being repaid. However, based on what I consider HSBC would more likely than not have identified through proportionate checks at the time, I don't consider it would necessarily have identified all of this lending; and in any event I'm not persuaded that if it had this would reasonably have prevented it from providing this lending.

So, for the reasons I've set out above I'm not persuaded that HSBC acted unfairly when providing Mr F with this credit card.

I've gone on to consider if HSBC acted unfairly in any other way during this relationship. I've seen that Mr F largely maintained his account well, until late 2020 when he entered an IVA. Before this he maintained his balance within his agreed credit limit, and made payments at least in line with his contractual monthly minimum.

Mr F made us aware in his complaint that HSBC had been pursuing him for the outstanding debt, as it had said it had been notified in late 2024 that his IVA had been broken.

Both parties have provided further evidence on this point for my consideration. Mr F has provided an annual report for his IVA, dated January 2026, which includes his HSBC credit card. HSBC has provided a copy of the details it received from an external agent, setting out that Mr F's IVA was broken.

I've very carefully considered the additional evidence both parties have provided. Having done so, on balance, I don't consider it unreasonable that HSBC engaged with Mr F and looked to pursue him for the outstanding debt, based on the information it received in good faith about his IVA being broken.

So, for the reasons set out above and up to the point of Mr F's complaint, I haven't seen anything which leads me to conclude HSBC has acted unfairly in its lending decision or in any other way in relation to this agreement.

I note Mr F has recently made us aware that he has received further correspondence from HSBC about the outstanding debt. As this is an event that has happened since this complaint was made, I don't consider it reasonable for me to consider it under this complaint reference. As such Mr F will need to pursue these concerns as a new event with HSBC.

I acknowledge my decision will be disappointing to Mr F, but for the reasons set out above I'm not directing HSBC to take any further action in resolution of the complaint.

My final decision

My final decision is that I don't uphold Mr F's complaint about HSBC UK Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 6 March 2026.

Richard Turner
Ombudsman