

## **The complaint**

Miss B is unhappy that HSBC UK Bank Plc linked her credit file to that of another person in 2018, and that this has had a long-standing and ongoing impact on her.

## **What happened**

In October 2018, HSBC registered a change of address for Miss B following the receipt of a payment protection insurance complaint. Shortly afterwards, when Miss B visited an HSBC branch to inquire about an issue with her account, she says she was told that HSBC had linked an incorrect address to her account in error – HSBC have another customer with the same name and date of birth but a different title (Mrs not Miss) as Miss B, and HSBC had updated the wrong customer details.

While HSBC say they rectified the error, from shortly after the error was made Miss B has received correspondence and contact from third-party debt collectors meant for the other customer. This included threats of sending bailiffs to her property, and this correspondence has continued even after Miss B moved address in 2022. Miss B even received a cheque from HSBC meant for the other customer.

While HSBC have repeatedly told Miss B the situation has been rectified, and they have offered her compensation for what happened, the ongoing contact Miss B continues to receive indicates that the problem hasn't been resolved.

After being denied a current account by HSBC due to 'a poor credit history', Miss B investigated her credit file and discovered there were two linked addresses registered against her that she'd never lived at. And she now pays £15 a month to a credit reference agency so she can monitor the information recorded against her.

Despite complaints to HSBC, as the matter remains ongoing, Miss B brought this to the Financial Ombudsman Service for investigation.

Our investigator said that HSBC had made an error in 2018, and that they had failed to correctly rectify this. As a result, Miss B has suffered years of stress, inconvenience and financial outlay. So, the investigator said HSBC should update their internal systems to ensure that only the addresses where Miss B has resided are recorded, that this information is provided to the credit reference agencies, and that any issues going forwards are addressed immediately.

The investigator also said that Miss B should be paid £700 compensation for the significant distress and inconvenience she'd been caused, and that HSBC should also pay Miss B £180 to cover a year's subscription to the credit reference agency, so she can continue to monitor her credit file.

HSBC accepted the investigator's opinion and the recommended remedy, but Miss B didn't. She said she'd lost all confidence in HSBC dealing with matters, and she was concerned what personal details of hers the other customer may have received. Miss B also said that

she'd been turned down "for things that were urgent at the time" as a result of HSBC's mishandling of her personal data.

I issued a provisional decision on 4 September 2025, where I explained my intention to uphold the complaint. In that decision I said:

*If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.*

*The evidence I've seen supports Miss B's testimony of what has happened as a result of the error made by HSBC in 2018. What's more, in accepting the investigator's opinion and recommendations, HSBC have accepted their error and everything that's followed because of this. As such, I'm satisfied that I don't need to consider the merits of this issue within my decision. Instead, I'll focus on what I think HSBC should do to put things right.*

*As far as I see things, there have been two separate impacts on Miss B's credit file. The first is that HSBC have linked Miss B to their other customer due to their shared name and date of birth, even though they have a different title, have never lived at the same property and are not linked, financially or otherwise, in any way. The other impact is that other financial institutions, having been made aware of the erroneous link registered by HSBC, have themselves linked Miss B with the other customer. This has resulted in Miss B receiving correspondence from third party debt collectors for accounts, not in her name, and not with HSBC either.*

*The investigator recommended that HSBC update their internal systems to show only the addresses Miss B has lived at, and ensure this information is reported to the credit reference agencies. While this will rectify any link through HSBC, it won't rectify any link that any other financial institutions may have registered on their internal systems. As such, I'm not satisfied that this action alone will stop Miss B receiving correspondence not meant for her.*

*The investigator recommended that Miss B register a Notice of Correction with the credit reference agencies. This is a short statement explaining the situation, that financial institutions are legally obliged to read and take into account when assessing any application or undertaking any creditworthiness checks. Unfortunately, this is not something a financial institution is able to do on behalf of a customer, otherwise the investigator would've recommended that HSBC do this for Miss B.*

*However, businesses who supply information to credit reference agencies have an obligation to correct any mistakes. And, as any incorrect links that have been registered by any other financial institutions are as a direct result of the error HSBC made and failed to correctly rectify in 2018, HSBC have an obligation to try and correct what their error has caused.*

*As such, in addition to correcting their own internal systems, I'm intending to direct HSBC to:*

- 1. write to each of the credit reference agencies to explain that they linked two of their customers in error, and asking them to remove all links between Miss B and their other customer; and*
- 2. provide Miss B with a letter explaining that they'd linked her to the other customer in error, and that they have nothing to suggest there is any link.*

*Miss B will be able to use the letter that HSBC provide her to contact any third party who are only corresponding with her because they believe she is the other customer, reminding them*

*of their obligation to ensure that they are reporting correct information to the credit reference agencies, and asking them to remove the erroneous link.*

*I appreciate this isn't the 'clean fix' solution Miss B was hoping for, but the complexity of the situation means that it's not possible for a single action by HSBC to resolve matters. This will also add an element of work and additional inconvenience to what Miss B has already suffered. And it means Miss B will most likely continue to receive third party correspondence for months to come.*

*As such, I also intend to ask HSBC to increase the compensation they've already agreed to, to a total of £1,000 (which includes the payment for the 12-months subscription to the credit reference agency) - I think this is a fair level of compensation, one that falls in line with our service's approach given all the circumstances, and also compensates Miss B for the additional rectification work she will need to do as a result of HSBC's error.*

## **Responses**

HSBC accepted my provisional decision but said there are no longer any active links between Miss B and the other customer.

Miss B also accepted my provisional decision but has said that the other customer has now taken out a new loan, with a provider other than HSBC, which has been linked to her credit file. And this will impact her ability to obtain credit going forward.

## **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.

While both parties have agreed with my provisional decision, it's clear that Miss B is still being linked with the other customer by third-party finance providers – while HSBC were unable to identify any link when they checked, Miss B reported a few days later that a new link had been added. Miss B has also accepted that this situation will take some time to resolve, and she's said she may reach out to the other customer to see if anything can be done from her end.

As such, I see no compelling reason why I shouldn't now adopt my provisional decision as my final decision. And HSBC need to do something to put things right.

## **Putting things right**

For the reasons stated in my provisional decision, HSBC should:

- write to each of the credit reference agencies to explain that they linked two of their customers in error, and asking them to remove all links between Miss B and their other customer;
- provide Miss B with a letter explaining that they'd linked her to the other customer in error, and that they have nothing to suggest there is any link; and
- pay Miss B a total of £1,000 to compensate her for the trouble and inconvenience caused by being linked with another person in error (HSBC must pay this compensation within 28 days of the date on which we tell them Miss B accepts my final decision. If they pay later than this date, HSBC must also pay 8% simple yearly interest on the compensation from the deadline date for settlement to the date of payment<sup>†</sup>).

†If HM Revenue & Customs requires HSBC to take off tax from this interest, HSBC must give Miss B a certificate showing how much tax they've taken off if she asks for one.

HSBC have also asked Miss B to provide them with her bank details, so they can pay the agreed compensation. I would expect Miss B to provide this information to HSBC without any undue delay.

### **My final decision**

For the reasons explained, I uphold Miss B's complaint about HSBC UK Bank Plc. And they are to follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 29 October 2025.

Andrew Burford  
**Ombudsman**