

## **Complaint**

Ms C has complained that HSBC UK Bank Plc (“HSBC”) irresponsibly provided a credit card to her. She says that this was irresponsible and resulted in ongoing difficulty.

Ms C is being assisted in her complaint by her daughter. Nonetheless, for ease of reference, I’ll refer to Ms C throughout this final decision.

## **Background**

HSBC initially provided Ms C with a credit card in March 2008. It’s unclear what credit limit Ms C was granted at the time the account was opened. However, the information provided shows that Ms C’s credit limit has been £11,500.00 since at least July 2019.

In May 2025, Ms C complained saying that the credit card was unaffordable and resulted in a worsening of her circumstances. HSBC did not uphold Ms C’s complaint. As far as it was concerned, Ms C had complained too late. Ms C remained dissatisfied at HSBC’s response and referred her complaint to our service.

When responding to our request for its file on Ms C’s complaint, HSBC reiterated its belief that Ms C had complained too late. One of our investigators reviewed what Ms C and HSBC had told us. He thought that he hadn’t seen enough to be persuaded that HSBC failed to act fairly and reasonably to Ms C. This resulted in the investigator deciding against recommending that Ms C’s complaint be upheld.

Ms C disagreed with the investigator’s conclusions and asked for an ombudsman to look at her complaint.

## **My findings**

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

### *Basis for my consideration of this complaint*

There are time limits for referring a complaint to the Financial Ombudsman Service. HSBC has argued that Ms C’s complaint was made too late because she complained more than six years after the decisions to provide the credit card more than three years after she ought reasonably to have been aware of her cause to make this complaint.

Our investigator explained why it was reasonable to interpret the complaint as being one alleging that the relationship between her and HSBC was unfair to her as described in s140A of the Consumer Credit Act 1974 (“CCA”). He also explained why this complaint about an allegedly unfair lending relationship had been made in time.

Having carefully considered everything, I’ve decided not to uphold Ms C’s complaint. Given the reasons for this, I’m satisfied that whether Ms C’s complaint about the decision to lend was made in time or not has no impact on that outcome.

I'm also in agreement with the investigator that Ms C's complaint should be considered more broadly than just the lending decision. I consider this to be the case as Ms C has not only complained about the decision to lend but has also alleged that this unfairly resulted in ongoing difficulty. I'm therefore satisfied that Ms C's complaint can therefore reasonably be interpreted as a complaint about the ongoing fairness of her relationship with HSBC.

I acknowledge HSBC may not agree we can look at Ms C's complaint. Furthermore, having considered Ms C's response to our investigator's assessment it is clear that she disagrees with the basis upon which we're able to consider matters. However, given the outcome I have reached here, I do not consider it necessary to make any further comment or reach any findings in relation to why I am able to consider this complaint.

In deciding what is fair and reasonable in all the circumstances of Ms C's case, I am required to take relevant law into account. As, for the reasons I've explained above, I'm satisfied that Ms C's complaint can be reasonably interpreted as being about the fairness of her relationship with HSBC, relevant law in this case includes s140A, s140B and s140C of the CCA.

S140A says that a court may make an order under s140B if it determines that the relationship between the creditor (HSBC) and the debtor (Ms C), 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. S140B 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 Ms C's complaint, I therefore need to think about whether HSBC's decision to lend to Ms C, or any later actions resulted in the lending relationship between Ms C and HSBC being unfair to Ms C, such that it ought to have acted to put right the unfairness – and if so whether it did enough to remove that unfairness.

Ms C's relationship with HSBC is therefore likely to be unfair if it didn't carry out reasonable enquiries into Ms C's ability to repay in circumstances where doing so would have revealed the credit card or limit increases to be irresponsible or unaffordable. And if this was the case, HSBC didn't then remove the unfairness this created somehow.

I've considered Ms C's complaint in this context.

#### *HSBC's responsibilities and obligations when it agreed to provide Ms C with a credit card*

We do have an explanation about how we handle complaints about unaffordable and irresponsible lending on our website. However, the vast majority of our website guidance covers credit provided on or after March 2010. So I think that the information on our website has more limited relevance to Ms C's complaint.

When Ms C applied for a credit card in March 2008, this not only predated the current regulator's (the Financial Conduct Authority ("FCA")) rules and guidance which came in in April 2014, it also predated then regulator's – the Office of Fair Trading ("OFT") – Irresponsible Lending Guidance ("ILG"). So while I've noted what Ms C has said about HSBC's legal and regulatory responsibilities at the time of this application, there was no requirement to verify a customer's income at the time of her application.

That's not to say that there weren't any expectations or standards in relation to lending at the time Ms C applied for a credit card. I understand that HSBC was a subscriber to then British Bankers' Association's Banking Code, which was in place at the time. But it would be fair to say that any obligations and responsibilities that HSBC had were not the same as they are now.

For example, neither the concept of borrower focused assessments nor proportionate checks were part of the expectations or requirements at the time. What HSBC agreed to do – as a result of it being a subscriber to the banking code – at the time of Ms C's application for a credit card, was assess whether it felt that she would be able to repay any lending.

I therefore need to consider this part of Ms C's complaint in relation to these expectations that were in place on a lender at this time.

*Did HSBC act fairly and reasonably when providing Ms C with a credit card in March 2008?*

In this instance, I'm led to understand that HSBC is likely to have agreed to Ms C's application after it carried out a credit search. Indeed, this was what a lender would typically do before agreeing to provide credit at this time. This is especially as any checks at this time were more concerned with the likelihood of a lender getting its money back, rather than how a borrower might be able to afford their repayments. On the other hand, Ms C says that the credit card was unaffordable.

I've considered what the parties have said.

What's important to note is that Ms C's credit card was a revolving credit facility rather than a loan. This means that HSBC was required to understand whether Ms C could repay a limit of £11,500.00<sup>1</sup> within a reasonable period of time. HSBC hasn't been able to provide any details on what it found out about Ms C as a result of the credit checks that it carried out prior providing the card.

Given the initial application took place more than fifteen years ago, while Ms C may not agree, I don't think that this lack of information is unreasonable. The fact a different financial institution that Ms C has complained to may have retained information isn't determinative to HSBC no longer having similar information.

What I need to consider is whether HSBC is required to still have this information. And I don't think that there is any obvious reason for HSBC to still have this information approaching twenty years later. So I've not drawn any adverse conclusions as a result of HSBC not being able to provide this information as part of its defence to Ms C's complaint.

In any event, I'm also mindful that I've not been provided with any information and neither has it even been argued, that Ms C had any significant adverse information – such as defaulted accounts, county court judgments ("CCJ") recorded against her at this time.

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<sup>1</sup> Bearing in mind there is no clear evidence of there having been a limit increase, I've assessed the complaint on the basis that the limit of £11,500.00 was provided at the outset.

I've seen representations on Ms C's income and its source. But this in itself isn't enough for me to say that HSBC shouldn't have lent. Furthermore, declining Ms C's application on the sole basis of the source of her income would be arbitrary and very likely discriminatory. So I think that HSBC declining Ms C's application on this basis is unlikely to have seen it act fairly and reasonably.

HSBC clearly felt that Ms C could repay £11,500.00 within a reasonable period of time. I've not seen anything at all to demonstrate that this wasn't the case in March 2008. Furthermore, as I've explained, it's fair to say that the standards expected of lenders at this time was far more light touch than it is today.

As this is the case, I've not been persuaded that HSBC's decision to provide Ms C with a credit card was unfair or that it resulted in unfairness going forward.

It's clear that Ms C feels strongly about her complaint and I do sympathise with the difficulties that she has had. I also accept that given the tighter rules, guidance and standards in place today - in relation to responsible lending, rather than a lender just considering the credit risk - it's possible that HSBC might not take the same lending decision today.

However, all I can do is consider HSBC's actions against the obligations and expectations that were in place at the time and make a call on whether it acted fairly and reasonably in light of this. Finding that a firm was required to do something that it wasn't, or retrospectively applying rules that didn't apply at the time, would not only result in a decision that is not fair and reasonable all the circumstances, it would result in a decision that was unlawful. So I can't view whether HSBC treated Ms C fairly and reasonably through the prism of today's standards.

Given, as I've explained, it's fair to say that the standards expected of lenders at the time of Ms C's application was far more light touch than it is today and there's quite understandably very limited information from the time, I've not been persuaded that it was clearly unreasonable for HSBC to feel that Ms C could repay £11,500.00 within a reasonable period of time.

#### *The period of time HSBC has been able to provide information for*

I've noted Ms C's comments regarding the period HSBC has been able to provide statements for. Having done so, I do think it's worth me explaining that there isn't a requirement for a lender to continually reassess a credit limit once it has been granted. A lender may choose to take this course of action - particularly as some lenders will consider whether to offer a limit increase to a customer, but there is no requirement for a lender to automatically take such action.

That said, there is a requirement for a lender to monitor the customer's repayment record and offer assistance where there are signs of actual or potential repayment difficulties. However, this does not extend to a lender reviewing all of the accounts that a customer might have with it, in order to carry out a forensic review of all the customer's products. So while Ms C's current account may have been with HSBC, I wouldn't expect it to have been proactively reviewed as part of any consideration of Ms C's repayment record on her credit card.

This is important because having reviewed the credit card statements provided, I can see that Ms C has been making the repayments to her credit card. Furthermore, the transactions being made - for example, the card isn't being used to make prohibited transactions - weren't of a kind to that permitted HSBC to take unilateral action to terminate Ms C's

agreement either. In other words, Ms C wasn't acting outside the terms of her agreement and so HSBC wasn't really permitted to make unilateral changes in circumstances where Ms C hadn't said anything about having difficulty making the payments to her card.

Therefore, while Ms C did have a balance on the card, as she was within her limit and making payments above the minimum, it's difficult for me to say that it was unfair for HSBC to allow her to continue using her card. With this in mind, while I appreciate that Ms C has said that having this credit card has caused her difficulty and sympathise with the position that she is in, I'm not persuaded that HSBC unfairly allowed her to continue using her card either.

Therefore, bearing in mind all that I've considered here, I don't find that Ms C's relationship with HSBC was unfair. I've not been persuaded that HSBC created unfairness in its relationship with Ms C by unfairly lending to her when initially agreeing to provide her with a credit card. Based on everything I've seen, I don't find HSBC treated Ms C unfairly in any other way either.

So while I can understand Ms C's sentiments, sympathise with the position she's in and also appreciate that she feels very strongly about matters, the lack of any corroborating evidence to support any wrongdoing on HSBC's part, means that I'm not upholding this complaint. I appreciate this will be very disappointing for Ms C. But I hope she'll understand the reasons for my decision and that she'll at least feel her concerns have been listened to.

Although I'm not upholding Ms C's complaint, I would remind HSBC of its continuing obligation to exercise forbearance and due consideration, given what Ms C has said about her current situation and her ability to continue making payments.

I would also encourage Ms C to get in contact with and co-operate with any steps that may be needed to review what she might, if anything, be able to repay going forward. Ms C may be able to complain to us – subject to any jurisdiction concerns – should she be unhappy with HSBC's actions in relation to collecting the balance remaining on the card.

### **My final decision**

For the reasons I've explained, I'm not upholding Ms C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 23 March 2026.

Jeshen Narayanan  
**Ombudsman**