

The complaint

Mr G complains that HSBC UK Bank Plc responded unfairly when he got into financial difficulties.

What happened

Mr G says that HSBC first wrote to him on 7 April 2022 to tell him that he was in persistent debt due to insufficient payments on his credit card. He says that further letters followed in January 2023 and January 2024 but that, at no time did HSBC proactively engage with him to address the issue. Mr G says he contacted HSBC in July 2025 to explain that he'd been making minimum repayments whilst he was struggling financially. He says it offered him a repayment pause but that interest would have continued to accrue. Mr G says he argued that HSBC should have frozen interest charges earlier, but HSBC denied any wrongdoing and offered no remedial action, despite ignoring the spirit of the Financial Conduct Authority's (FCA) guidelines. He adds that the situation has caused prolonged financial and emotional stress.

HSBC says it sent all the required notices regarding persistent debt and, when it did not receive a response, it suspended Mr G's account on 9 December 2023. It says it received no communication from Mr G until July 2025 when it reviewed his financial situation and offered solutions. HSBC says it could not identify any error in its account handling and asked Mr G to contact its Financial Support Team if he still needed a repayment plan.

Our investigator did not recommend the complaint should be upheld. She was satisfied that HSBC had correctly applied the FCA rules and demonstrated forbearance when Mr G got in touch in July 2025. She acknowledged that Mr G didn't accept any of the repayment options offered, but that HSBC froze interest temporarily as a gesture of goodwill. She did not find that HSBC had acted unfairly in that respect.

Mr G responded to say, in summary, that HSBC's actions did not align with the FCA's intention that firms should take steps to reduce the overall cost of borrowing for customers in persistent debt. He said that HSBC failed to offer an interest freeze or a sustainable repayment plan at the 36-month point.

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.

HSBC first highlighted to Mr G that he was in persistent debt on 7 April 2022. The letter explained that, over the previous 18 months, Mr G had been paying more in interest than he had repaid of the amount borrowed. At that point, HSBC advised Mr G that he should

consider paying more than the minimum payment each month and said it would also add a “voluntary payment” option to his statements going forwards.

Mr G continued to use his card, and make the minimum payments, and his balance increased from under £5,000 in April 2022 to over £6,000 in January 2023. At this point, HSBC sent him another letter and explained that if he paid the voluntary payments each month, he would no longer be in persistent debt after a further nine months.

In February 2023, HSBC then sent Mr G a reminder that he was still making minimum payments and explained how he could adjust his direct debit.

By October 2023, with ongoing minimum payments and having exceeded his credit limit, Mr G was sent a letter advising him he’d been in persistent debt for 36 months. The letter offered him options to address this, a number to call, and reiterated contact details for free debt charities. It said that if it didn’t hear from Mr G within 60 days, then his credit card would be suspended.

I am satisfied that Mr G did not contact HSBC during this period but that he continued to make minimum monthly payments. As he was adhering to his contractual obligations with regard to the terms and conditions of his credit card account, HSBC would not have been entitled to compel him to make higher payments and could only advise him of the consequences thereof. As HSBC did then suspend the use of Mr G’s card from December 2023 onwards, his balance reduced from over £8,600 to under £7,000 by July 2025.

Mr G then made calls to HSBC on 8 July 2025 and 11 July 2025 and advised that he was in financial difficulty and could no longer afford the minimum repayments. Over a period of more than four hours, HSBC discussed Mr G’s financial circumstances in detail and offered him a number of options to sustainably repay his remaining credit card debt. I can see Mr G was offered a payment break or suspension of interest for finite periods, but that he wanted interest suspended indefinitely so he could repay the balance. Ultimately, Mr G and HSBC could not agree a mutually acceptable repayment plan, but I can see that HSBC put a temporary stop to interest charges nevertheless.

Based on everything I’ve seen and heard, I am satisfied that HSBC met its obligation to customers in persistent debt and that it acted reasonably in response to Mr G’s financial difficulties. I acknowledge that it did not offer a repayment plan that Mr G felt able to accept, but this service cannot compel a bank to offer a particular payment plan to its customers.

In summary, I’m satisfied that HSBC did nothing wrong when it notified Mr G that he was in persistent debt and that it responded fairly to his financial difficulties. Therefore, I don’t consider it needs to do anything further with respect to this complaint.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 4 March 2026.

Amanda Williams
Ombudsman