

The complaint

Mr G complains that he was mis-sold his Premier credit card account by HSBC UK Bank Plc.

What happened

On 1 September 2025, Mr G spoke to HSBC about its Premier credit card account. As a frequent traveller, he wanted an account that would offer free airport lounge access. HSBC's agent told Mr G his Premier credit card account would include free lounge access for him and his wife (as an additional card holder). Mr G applied for the account whilst he was on the phone to HSBC and its agent confirmed she could see his application. Shortly afterwards, HSBC's agent called Mr G back to explain she'd made an error; the lounge access was not free with the account and would cost £27 per person per visit. Mr G complained and asked for free lounge access.

Later that day, HSBC said it had paid Mr G £300 compensation. It explained it couldn't consider an application to upgrade his account to its World Elite Premier credit card account, which does include free lounge access, whilst his current application was being processed. Instead, HSBC offered to delete his application and remove it from his credit file.

Mr G chose to continue with his account application and went on to use it for purchases. He referred his complaint to our service.

One of our investigators reviewed Mr G's complaint. They agreed HSBC had made an error in telling Mr G he'd get free lounge access for him and his wife, and this incorrect information led Mr G to open his credit card account. The investigator recommended HSBC pay Mr G a total of £400 compensation. They added that if Mr G wanted to close his account, they would consider how the outstanding balance owed to HSBC should be paid back and whether HSBC should remove its records from Mr G's credit file.

HSBC accepted our investigator's recommendation but Mr G did not. He didn't say he wanted to close his account. He said he wanted £1,000 compensation for the significant personal distress and embarrassment this matter had caused him. Our investigator explained our service wouldn't recommend the £1,000 compensation Mr G was looking for but he remained unhappy. So, this complaint was referred to me for a 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.

My role is to put Mr G back in the position he would have been in if HSBC hadn't made an error rather than to put him in the position he would be in if HSBC's incorrect information were true. So, I need to decide how HSBC should put Mr G in the position he would have been in had he been told each lounge visit would cost £27 per person.

I'm satisfied Mr G would not have applied for the Premier credit card. HSBC quickly offered to cancel his application and remove it from his credit file, which would have put him in the

position he should have been in had an error not occurred. Mr G refused this offer because a credit file search had already been carried out, which would take time to be removed from his credit file. He then used the account for purchases, even though he'd already been told HSBC would not provide the free lounge access he wanted.

So, I've considered how much compensation HSBC should offer Mr G. As I've said above, it isn't obliged to offer him the free lounge access he wanted – this benefit only comes with the World Elite account that has an annual fee of £290 at the time of this decision.

I appreciate Mr G felt disappointment and had to tell his wife they wouldn't get free lounge access but I don't think this justifies the £1,000 compensation he has asked for. Mr G may find it helpful to review examples of when our service might consider awarding this level of compensation:

<https://www.financial-ombudsman.org.uk/consumers/expect/compensation-for-distress-or-inconvenience>

I note Mr G says HSBC's actions led to an incident which caused him financial loss and reputational repercussions but hasn't provided further details. I can only ask HSBC to compensate Mr G for losses that were reasonably foreseeable as a result of its error and it isn't clear to me that the event Mr G has alluded to was foreseeable. HSBC quickly realised its error and Mr G's expectations were corrected quickly and took steps to mitigate the impact of its error. Overall, I think £400 total compensation reasonably reflects the distress and inconvenience caused to Mr G.

Putting things right

HSBC should pay Mr G an additional £100 compensation, bringing the total payable to £400.

My final decision

If it hasn't already done so, HSBC UK Bank Plc should pay Mr G an additional £100 compensation, bringing the total payable to £400.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 20 March 2026.

Victoria Blackwood

Ombudsman