

The complaint

Mr C complains that HSBC UK Bank plc (HSBC) irresponsibly provided him with a credit card.

What happened

HSBC provided Mr C with a credit card in June 2023 with a credit limit of £4,000. He was also the beneficiary of a promotional rate of 0% on balance transfers for 27 months. He took advantage of this offer by transferring £3,800 in July 2023.

In summary, Mr C considers that HSBC lent to him irresponsibly because of his high debt to income ratio. His complaint was rejected by HSBC because it considered that its lending decisions had been appropriate.

Mr C remained unhappy and brought his complaint to this service. One of our investigators reviewed matters and considered that HSBC's lending had not been irresponsible.

Whilst HSBC agreed with our investigator's view, Mr C didn't. As an agreement has not been reached, the complaint has been passed to me to make 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.

I've looked at all of the information on file, although I may not have commented on everything.

The rules and regulations in place at the time Mr C was provided with the credit card, required HSBC to carry out a reasonable and proportionate assessment of whether he could afford to repay what he owed in a sustainable manner. This is sometimes referred to as an 'affordability assessment' or 'affordability check'.

The checks had to be 'borrower' focused. This means HSBC had to think about whether repaying the credit sustainably would cause difficulties or adverse consequences for Mr C. In other words, it wasn't enough for HSBC to consider the likelihood of it getting the funds back – it had to consider the impact of any repayments on Mr C.

Checks also had to be 'proportionate' to the specific circumstances of the lending. In general, what constitutes a proportionate affordability check will be dependent on a number of factors including – but not limited to – the particular circumstances of the consumer (e.g. their financial history, current situation and outlook, any indications of vulnerability or financial difficulty) and the amount/type/cost of credit they were seeking. I've kept all of this in mind when thinking about whether HSBC did what it needed to before arranging the credit card for Mr C.

When Mr C applied for the credit card he declared that his annual income was £40,000 and his net monthly income was around £2,200. He lived with his partner, without any dependants. The credit card that Mr C applied for was a balance transfer card which had a promotional rate of 0% for 27 months.

HSBC didn't solely rely upon the information provided by Mr C. It verified his income by reference to Open Banking data. It established that his actual net monthly income was around £2,100 but this was still within HSBC's tolerance levels. HSBC has provided us with a Financial Standing Report which analysed his income, his essential expenses and his non-essential expenses. HSBC carried out a credit check. This showed that Mr C didn't have any County Court Judgments or similar and there were no defaults showing either. It also showed that his overall unsecured debt to income ratio was around 99%.

I think the checks carried out by HSBC were reasonable and proportionate. They showed that Mr C would have sufficient disposable income to make any payments due under the card in a sustainable way.

It's also important to note that Mr C was the beneficiary of a 0% balance transfer promotion for 27 months. In the month after the credit card was issued, he transferred £3,800. As of August 2025, which is the latest statement this service has, Mr C had not paid any interest. The standard redress for complaints of this nature would be to refund interest and charges. However, even if his complaint was upheld, it's not clear whether Mr C would actually be entitled to anything. Regardless of that, by taking this card out, Mr C saved on any fees, interest and charges he might otherwise have incurred. I'm satisfied, therefore, that Mr C benefitted from the balance transfer arrangement with HSBC and that he's not lost out as a result of having this credit card.

In bringing his complaint to us, Mr C has highlighted that he had a high debt to income ratio. He believes that HSBC were acting irresponsibly by not taking account of this.

I agree with Mr C that this is a high figure. However, on its own, I don't think that it would have been a reason for HSBC not to lend to him. Mr C was meeting his existing credit commitments and had significant disposable monthly income. So, I don't think HSBC's decision to give him the credit card was an irresponsible one.

Mr C was also unhappy that, in August 2024 and December 2024, HSBC invited him to increase his credit limit to £5,000. In circumstances where Mr C didn't take up these offers, I can't find that HSBC acted unfairly or irresponsibly because it didn't ultimately increase his credit limit. I don't think he's suffered any loss or distress and inconvenience as a result of receiving these offers either.

Therefore, whilst I know this won't be the outcome Mr C is hoping for, I don't think HSBC acted unfairly or unreasonably when it provided him with the credit card. It follows that I'm not upholding his complaint.

Finally, I've also considered whether the relationship might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think HSBC lent irresponsibly to Mr C or otherwise treated him unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

My final decision

My final decision is that I don't uphold this complaint.

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

John Butler
Ombudsman