

The complaint

In March 2023 HSBC UK Bank Plc ('HSBC') provided Mr D with a current account with an overdraft of £650.

Mr D says HSBC shouldn't have agreed to the overdraft as it was unaffordable for him.

What happened

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my 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.

We've set out our general approach to complaints about unaffordable or irresponsible lending on our website, and I've taken this into account in deciding Mr D's case.

I've decided that HSBC acted fairly because:

- I think the checks HSBC used when agreeing to the overdraft and the increase were reasonable and proportionate, given the overdraft limit being granted and what it already knew about Mr D's financial situation. The checks included looking at what he'd put in his application, checking what credit he owed elsewhere and carrying out an affordability assessment. None of this suggested that Mr D was having financial difficulties or was overindebted.
- I also think the checks HSBC used were enough to monitor and review Mr D's overdraft usage. Although Mr D was making regular use of his overdraft – and I've kept in mind that overdrafts are primarily intended for short term or emergency use – I haven't seen enough to show or suggest that there were signs he was in financial distress. I say that taking on board what HSBC could see about his account use and the payments in and out of the account.
- Based on what HSBC found when monitoring Mr D's overdraft and what it could see about his financial circumstances, Mr D looked likely to be able to continue repaying his overdraft sustainably and without worsening his financial situation.

This means I don't think HSBC did anything wrong, either when it provided Mr D with the overdraft or in the way it monitored his use of it.

I've also thought about what Mr D said in response to our investigator's view, but I still think there wasn't enough to suggest HSBC needed to take action to reduce or remove the overdraft facility. I would add that what can be seen on Mr D's credit report broadly supports the overdraft remaining affordable.

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

I know this isn't the outcome Mr D hoped for, and I realise he'll be disappointed. But for the reasons above, I'm not asking HSBC to do anything to put things right.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 12 March 2026.

Michael Goldberg

Ombudsman