

The complaint

J a limited company complains HSBC UK Bank Plc hasn't provided reasonable support in relation to its outstanding overdraft balance.

J is represented in bringing this complaint by its director, Miss C.

What happened

J holds a current account with a £30,000 overdraft facility with HSBC. Miss C says that J is in financial difficulty and having fully utilised the overdraft, isn't currently in a position to repay the balance or maintain any fees or charges associated with it.

HSBC had previously agreed to waive any fees or charges associated with the overdraft however resumed charging interest in May and June 2025. Miss C spoke with HSBC and was told it would refund these charges and prevent further charges going forwards.

HSBC later said its agent had given the wrong advice and it wouldn't refund the interest applied in May and June 2025, as it had been correctly applied in line with the terms of J's account.

Following this, Miss C raised a complaint on J's behalf. HSBC apologised for the incorrect advice, however said the interest had been correctly applied. To apologise for saying it would refund the interest, HSBC offered £100. HSBC then refunded the interest applied to J's account from June 2025.

Unhappy with HSBC's response, J referred its complaint to the Financial Ombudsman. In providing its submission, HSBC made an offer and said it would refund all interest applied in May and June 2025, to apologise for any miscommunication. One of our Investigator's looked into things and thought this was a fair resolution to J's complaint.

Miss C disagreed with our Investigator's conclusions. She said HSBC had failed to honour a payment arrangement agreed with J and its contact had caused her significant upset.

Our Investigator explained as the complainant was J, she could only consider the impact on J rather than Miss C personally.

As the matter wasn't resolved, the complaint has been passed to me to decide.

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 given consideration to the relevant rules and regulations applicable to this complaint and while I may not comment on everything (only what I consider is key) this is not meant as a discourtesy to either party, rather reflects the informal nature of our service.

Having done so, I've reached the same conclusion as our Investigator for broadly the same reasons. I appreciate this answer will likely come as a disappointment to Miss C, however in considering the impact on J, I find the offer made by HSBC to be reasonable in the circumstances.

I note J has raised concerns that HSBC failed to set up a payment arrangement to support it when in financial difficulties. I've reviewed calls J had with HSBC, along with account records.

From the evidence available, my understanding is HSBC didn't apply any interest or charges to J's account since at least December 2023, until the interest that was applied in May and June 2025. I haven't seen persuasive evidence that HSBC agreed to a support plan that would mean it would waive any of the interest or charges it was entitled to charge for using the overdraft into 2025. So, I haven't then found it did something wrong here.

HSBC has now refunded the interest applied in June 2025 and offered to refund the interest from May 2025. As a step to support J, I do find this reasonable. It would see all interest and fees J has complained about be refunded, so I don't find there is then anything further HSBC must do on this point.

I then move to the service HSBC has provided. Here, I think it's important to set out that the complainant and customer of HSBC is J, a limited company. While J is represented by Miss C in bringing the complaint, in considering any award, I must look at the impact on J, as the customer of HSBC, rather than Miss C as J's director and representative in bringing the complaint.

As a limited company, J isn't capable of feeling distress or upset. Therefore while, I acknowledge Miss C personally has been through a challenging time and I note is particularly distressed that HSBC called her personal number including the timings of these calls, I haven't found that HSBC's actions negatively impacted the operations of J. And I can't make an award for any upset Miss C has felt personally.

Therefore, I find HSBC's offer of £100 to apologise for mismanaging J's expectations as to whether the interest would be waived to be reasonable. Therefore, I won't be directing it to pay further compensation. I say this as alongside offering this compensation HSBC has now offered to reimburse the interest complained about, which I find to be a fair resolution to this complaint.

My final decision

For the reasons explained above I uphold this complaint. To put things right I direct HSBC UK Bank Plc to do the following:

- Pay J £100 compensation if it hasn't already; and
- Reimburse the interest applied to J's overdraft in May 2025.

Under the rules of the Financial Ombudsman Service, I'm required to ask J to accept or reject my decision before 26 March 2026.

Christopher Convery
Ombudsman