

The complaint

Mr E complains that HSBC UK Bank Plc ('HSBC') acted irresponsibly by providing him with increases to an overdraft facility in September 2019.

What happened

HSBC agreed to give Mr E several increases to his overdraft in September 2019, when it went from £50 to £4,000.

Mr E says HSBC shouldn't have given him the increases.

HSBC agreed it lent irresponsibly between 2019 and 2020 and refunded all the charges that had been incurred on the account and stopped charging interest from March 2020.

Our investigator thought the HSBC offer was fair and in fact went further than the lending decisions she was upholding.

As Mr E is unhappy with our investigator's finding, the complaint has been passed 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.

We've explained how we handle complaints about unaffordable and irresponsible lending on our website. And I've used this approach to help me decide Mr E's complaint.

Having considered everything, I'm not upholding Mr E's complaint. I think HSBC's offer is a fair one. I'll explain my reasoning below:

I've decided the credit was provided fairly because:

- I don't think the checks HSBC did before providing the credit limit increases were reasonable and proportionate given the credit limits it was offering and what it knew about Mr E's financial circumstances.
- If HSBC had done proportionate checks, whilst I agree that it was fair to provide the first three overdraft increases in September 2019, I don't think it was fair to grant the increases to £3,000 and then £4,000. I say this because based on what I've seen from HSBC's checks, there was a real risk that Mr E's finances could become overly stretched if he was managing these higher levels of overdraft alongside his existing financial and credit commitments. And that means he might be unable to sustainably repay the overdraft limits he was being given.

- I don't think HSBC acted unfairly in any other way.
- I've thought carefully about everything Mr E has said in response to our investigator's findings. I see our investigator has addressed these points. All I would add is that I'd like to reassure Mr E that I consider the redress offered by HSBC to be fair and reasonable and I don't consider that in the circumstances of his complaint it would be reasonable to ask HSBC to write off the funds Mr E borrowed.

This means I don't think HSBC needs to do anything more.

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 E 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 E hoped for. But for the reasons I've given above, I'm not asking HSBC to do anything more to put things right.

My final decision

My final decision is that I'm not upholding this complaint and HSBC UK Bank Plc doesn't need to do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 27 February 2026.

Michael Goldberg

Ombudsman