

The complaint

HSBC UK Bank Plc ('HSBC') provided Mr W with a personal loan in June 2022. The loan was for £7,000 and was to be repaid by way of 50 monthly repayments of £150.20.

Mr W says the loan was provided irresponsibly.

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 W's case.

I've decided the loan was provided fairly because:

- I think the checks HSBC did before providing the loan were reasonable and proportionate given the amount it was lending and what it knew about Mr W's financial situation, including the credit he already owed elsewhere.
- Mr W told HSBC about his income and residential status. HSBC's checks didn't show any recent issues with Mr W's credit history. I note that Mr W's income was verified, his credit commitments were checked and an affordability assessment was carried out. This showed he was likely to have sufficient disposable income available to afford the repayments for the new loan.
- Based on the information HSBC gathered about Mr W's circumstances that was available to it at the time, there was no evidence or information suggesting he was likely to be unable to sustainably repay what he was being lent.
- Nonetheless, I've considered Mr W's current account statements in order to get an idea of what HSBC was likely to have seen at the time of the lending. I've also looked at the evidence and information Mr W provided about his financial circumstances. Having considered all this, I've not seen enough to show or suggest that he might have been over-extending his borrowing capability.
- Mr W has told us about some personal circumstances that had an impact on his decision to apply for the loan. I've thought carefully about this, but I don't think this is something I could reasonably have expected HSBC to be aware of, unless he volunteered it.
- I note that HSBC have clarified a further point raised by Mr W regarding the joint

status of the account.

- I don't think HSBC acted unfairly in any other way.

Finally, I see that HSBC has offered Mr W some compensation for distress and inconvenience arising from issues when he was in contact with them about his complaint. I think that's fair.

All of this means I don't think HSBC did anything wrong when it provided the loan to Mr W or that it didn't do enough to help and support him after that.

I will also remind HSBC of its continuing obligation to exercise forbearance and due consideration, given what Mr W has said about his financial position and the impact repaying the outstanding loan amount is having on him.

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 W 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 W hoped for. But for the reasons 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.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 11 March 2026.

Michael Goldberg
Ombudsman