

The complaint

Mrs B is complaining about the administration of her credit card account by HSBC UK Bank Plc.

What happened

In March 2025, HSBC contacted Mrs B about persistent debt on her credit card account. They then discussed and agreed a voluntary payment arrangement with her to help her to reduce the debt more quickly. Mrs B expected that she'd need to pay just over £300 per month under this arrangement. But when HSBC sent Mrs B's May 2025 statement, the voluntary payment amount was significantly higher than Mrs B expected, at over £500. Mrs B then spent several hours on the phone to HSBC trying to understand and resolve the matter and logging a complaint.

HSBC accepted that they'd made an error and paid the difference between the two amounts to Mrs B's current account to cover the higher-than-expected direct debit. They also paid her £40 to compensate her for any potential costs of the phone call.

Mrs B remained unhappy and brought her complaint to the Financial Ombudsman Service where one of our investigators gave her opinion on the matter. Her view was that HSBC should pay Mrs B an additional £200 to compensate her for the pain and discomfort she'd experienced because of the lengthy phone call as well as the upset caused by being given the wrong information.

HSBC said they had no record of the pain and discomfort Mrs B told our investigator she'd experienced. But they accepted her recommendation to attempt to settle the matter. Mrs B didn't accept it though. She didn't feel £200 was enough to reflect the stress and upset she'd suffered and the impact it had had on her medical conditions.

A second investigator reviewed the case. He explained what had happened. And he explained why he thought the £200 recommended by the previous investigator was enough to compensate Mrs B for the distress and inconvenience the matter had caused her. The complaint was then 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.

Having done so, I'm upholding the complaint for broadly the same reasons as our investigator. I appreciate this may be disappointing for Mrs B but I'll explain more below.

HSBC accepted that they should have provided better explanations to Mrs B about how the voluntary payment arrangement would work. And they've accepted that it shouldn't have taken such a lengthy phone call to try to resolve matters. On top of this, it's clear from her correspondence that Mrs B was still unsure about how the voluntary payment arrangement ought to work even after this call. That, combined with other complaints she had about HSBC, resulted in her arranging a balance transfer to settle her credit card account.

What's in dispute is whether the compensation recommended by our investigator is a fair and reasonable amount taking into consideration the impact this has had on Mrs B.

Having considered everything, I can see the impact on Mrs B was:

- She had to make a higher-than-expected payment to her credit card in June 2025 which caused her a great deal of stress and upset because it was unaffordable.
- She had to spend well over three hours on the phone with HSBC to try to understand what had happened.
- Even after this she didn't have a clear answer on what would happen with the voluntary payment arrangement going forward.
- This all created a significant level of inconvenience and stress for Mrs B. It also caused her a lot of pain due to a disability which is exacerbated by lengthy phone calls, and which makes administrative tasks like sending emails very difficult.

HSBC have already paid Mrs B £40 to cover any costs of the phone call. Mrs B hasn't told us that the call charges were more than this, so I'm satisfied this is enough to cover this aspect.

HSBC have also paid Mrs B £182.32. This payment was made to her within a few days of the phone conversation and two weeks before the increased direct debit was taken from her account. So, although I appreciate Mrs B was very upset by seeing a payment figure on her statement that was unaffordable, this shock and upset would have been limited to the few days before the payment from HSBC came through.

Mrs B doesn't consider the £182.32 payment to be compensation – she said it was of no benefit to her as she had to pay it straight back to HSBC. I can understand her perspective, but this payment did reduce her credit card balance – and therefore was of benefit to her in the longer term. And, although I understand from Mrs B that she was strongly advised to make the full voluntary payment amount, she could have chosen not to – and would then have had these funds in her account.

Mrs B was still unsure about how the voluntary payment arrangement was supposed to work after the lengthy phone call. And this caused her significant frustration and led to her sending several emails. And it's fair that this is reflected in the total compensation amount. She's also explained to us that the impact of having to spend several hours on the phone and send multiple emails was heightened by her disability.

Whilst HSBC have said they have no record of Mrs B's disability and so this wasn't reasonably foreseeable for them, they have accepted our investigator's recommendation that they pay an additional £200 to Mrs B to settle the matter. Once that's paid, Mrs B will have received over £420 in respect of this complaint. Taking into account all the circumstances, I'm satisfied it wouldn't be fair or reasonable to increase the figure.

My final decision

As I've explained above, I'm upholding Mrs B's complaint. HSBC UK Bank Plc need to pay a further £200 to Mrs B to settle the matter.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 7 May 2026.

Clare King
Ombudsman