

## **The complaint**

Miss A complains that HSBC UK Bank plc (HSBC) lent to her irresponsibly.

## **What happened**

HSBC provided Miss A with a credit card in May 2022 with a credit limit of £9,000.

In summary, Miss A considers that HSBC lent to her irresponsibly and, amongst other matters, did not take account of her vulnerabilities. Her complaint was rejected by HSBC because it considered that its lending decision had been appropriate.

Miss A remained unhappy and brought her complaint to this service. One of our investigators reviewed matters and considered that HSBC's lending had not been irresponsible.

Whilst HSBC agreed with our investigator's view, Miss A didn't. As an agreement has not been reached, the complaint has been passed to me to make 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.

I've looked at all of the information on file, although I may not have commented on everything.

The rules and regulations in place at the time Miss A was provided with the credit card, required HSBC to carry out a reasonable and proportionate assessment of whether she could afford to repay what she owed in a sustainable manner. This is sometimes referred to as an 'affordability assessment' or 'affordability check'.

The checks had to be 'borrower' focused. This means HSBC had to think about whether repaying the credit sustainably would cause difficulties or adverse consequences for Miss A. In other words, it wasn't enough for HSBC to consider the likelihood of it getting the funds back – it had to consider the impact of any repayments on Miss A.

Checks also had to be 'proportionate' to the specific circumstances of the lending. In general, what constitutes a proportionate affordability check will be dependent on a number of factors including – but not limited to – the particular circumstances of the consumer (e.g. their financial history, current situation and outlook, any indications of vulnerability or financial difficulty) and the amount/type/cost of credit they were seeking. I've kept all of this in mind when thinking about whether HSBC did what it needed to do before arranging the credit card for Miss A.

When Miss A applied for the credit card she declared that her annual income was £40,500. It is fair to say that HSBC didn't solely rely upon this information. It verified Miss A's income via a Credit Reference Agency (CRA) and also carried out an affordability assessment. The latter incorporated certain information from the CRA together with statistical and modelling

data. HSBC estimated that Miss A's disposable income was around £1,100. It also carried out a credit check. This showed that Miss A didn't have any County Court Judgments or similar and that her existing debt commitments were being well managed.

On the basis of these checks, it proceeded to provide Miss A the credit card with a £9,000 limit.

In bringing her complaint to this service, Miss A has raised a number of concerns about HSBC's practices.

Miss A considers that HSBC's checks weren't sufficient. I've thought carefully about what reasonable and proportionate checks are in these circumstances. Having carried out a credit check that showed that Miss A was managing her existing credit commitments, I think HSBC took reasonable steps to determine her creditworthiness. There was nothing in the credit file which suggested that it would be irresponsible to provide her with the credit card.

In relation to affordability, I think that HSBC took reasonable steps to determine her financial situation. By combining CRA data, for example Miss A's property costs and existing credit commitments, and statistical data, I think it made a reasonable assessment of her likely outgoings.

When taken together, I think the checks carried out by HSBC were reasonable and proportionate. I would also add that Miss A was the beneficiary of a 0% balance transfer promotion that would last 33 months. In the period after the credit card was taken out, she transferred around £4,000 from other lenders. So, by taking this card out, Miss A saved on any fees, interest and charges she might otherwise have incurred. I'm satisfied, therefore, that Miss A benefitted from the balance transfer arrangement with HSBC and that she's not lost out as a result of having this credit card.

Miss A has also highlighted that she was in a vulnerable position and her domestic situation was a challenging one. Whilst I'm sympathetic to Miss A, I've not seen anything on file which would indicate that she made HSBC aware of her situation. In these circumstances, I can't fairly conclude that HSBC has acted unfairly.

Therefore, whilst I know this won't be the outcome Miss A is hoping for, I don't think HSBC acted unfairly or unreasonably when it provided her with the credit card. It follows that I'm not upholding her complaint.

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

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 25 May 2026.

John Butler  
**Ombudsman**