

## **complaint**

Mr T complains that HSBC Bank Plc has refused to consolidate his debts in one personal loan, causing him more debt. He wants it to consolidate his debts into a personal loan, and to refund charges and interest on his current and credit card accounts over the last six years.

## **background**

Our adjudicator did not recommend that this complaint be upheld. HSBC had declined a personal loan application in 2010, and no further application had been made to it. It had received a complaint about charges on his account from Mr T in 2013, and concluded there was no financial hardship. It had throughout charged interest on both his current and credit card accounts in line with its terms and conditions, and had written to Mr T regarding returned items and charges, giving him details of free debt charities to contact if he was in financial difficulty. So our adjudicator concluded that HSBC had done nothing wrong. Mr T disagreed. In his view HSBC had acted unfairly in not giving him a loan so he could consolidate his debt, and in continuing to add interest and charges, after he told it he was struggling to pay.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

HSBC has provided evidence to show that Mr T completed a lending application to consolidate his debts in August 2010, but it declined the application. Whether or not to agree to lend to a customer is a decision which is in the discretion of HSBC. So I am unable to conclude that HSBC has made an error in not agreeing a personal loan. HSBC says that since then it has not received any further communication from Mr T about consolidating his debts into a personal loan.

HSBC received a complaint from Mr T about the charges applied on his accounts in 2013, and sent a final response letter on 22 July 2013, in which it asked Mr T to contact it to discuss his financial situation. Income and expenditure details were supplied by Mr T in July 2013, but after a consideration of the information HSBC rejected his financial hardship claim on the basis that Mr T did have sufficient disposable income after meeting essential expenditure.

The terms and conditions for Mr T's credit card account state that HSBC will charge all amounts incurred by the use of the card and all interest, fees, charges and costs in line with the credit agreement, until the balance is repaid in full. There remains an outstanding balance on Mr T's credit card so I am unable to conclude that HSBC has acted incorrectly or unreasonably in charging interest and fees.

The terms and conditions for Mr T's current account state that a fee is payable for an informal overdraft request and when the account goes overdrawn. HSBC has provided evidence that it sent Mr T several letters each time his account went overdrawn and when direct debits were returned unpaid, outlining the fees. Because of this, I am satisfied that HSBC has acted appropriately in the circumstances.

Banks are required to deal positively and sympathetically with a customer who is experiencing financial difficulty, once aware of it, but they are not compelled to refund or suspend charges automatically. I note from the information provided by HSBC that it has done so. It has previously refunded charges of up to £250 since October 2007, and in the letters it sent to Mr T, HSBC stated that if he was experiencing financial difficulty then he should contact it on the details provided or contact one of the free debt charities listed. Mr T did not contact HSBC until his complaint in 2013, and has indicated now that he preferred to borrow from family rather than make a debt management plan, for fear of affecting his credit rating. Although Mr T will be disappointed by my decision, I am satisfied that HSBC has acted appropriately in all the circumstances.

### **my final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr T to accept or reject my decision before 1 September 2015.

Janine Allen  
**ombudsman**