

complaint

Mr A has complained it was unfair for HSBC Bank Plc to apply charges and interest to his account while he was in financial difficulties. He would like HSBC to refund all charges applied to the account and not to apply further charges.

background

Our adjudicator didn't recommend this complaint be upheld. She considered the charges had been applied correctly, in line with the terms and conditions for the account. She also referred to a Supreme Court ruling in November 2009, that current account charges can't be challenged on the basis that they are unfair or too high.

She also explained HSBC aren't obliged to cease applying these in cases of financial difficulties, provided they act reasonably once they are aware of this.

The adjudicator found it was reasonable for HSBC to have been aware of Mr A's financial difficulties since November 2014, and that it acted reasonably in response to this. She noted HSBC had written to Mr A several times asking him to contact them about his finances and that while Mr A did provide HSBC with an income and expenditure form, he didn't contact its Financial Guidance Team as requested to discuss possible solutions.

Mr A says he didn't receive all HSBC's letters; the adjudicator however was satisfied they were sent and has provided Mr A with copies.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

And I've come to the same conclusions as the adjudicator, for much the same reasons.

I consider HSBC took reasonable steps to contact Mr A about his account, setting out clearly what steps he needed to take. As Mr A didn't contact HSBC's Financial Guidance Team, it wasn't able to discuss or agree possible solutions such as setting up a repayment plan.

Also, as the adjudicator said, while there are various measures that can be taken by a bank to treat its customer positively and sympathetically, when financial difficulties exist, it wouldn't be required to refund charges or to have stopped applying them.

Indeed, if HSBC had felt Mr A wouldn't be able to repay the debt and it agreed to stop applying interest and charges to the account as Mr A requests, then this would also have meant defaulting the account. Mr A has accepted this would have put him in a worse position.

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 Mr A to accept or reject my decision before 15 February 2016.

Ray Neighbour
ombudsman