

complaint

Mr W says HSBC Bank Plc didn't follow the right procedures when it defaulted his accounts, merged the debt and sold it to a third party.

background

In November 2009 and February 2010 HSBC passed Mr W's current and loan accounts to its internal recoveries team. Both accounts were in arrears. It later issued default notices and merged the two outstanding balances. In June 2011 the debt was sold, and legally assigned, to a third party. Throughout this time the bank sent regular letters to Mr W about the status of his accounts.

Our adjudicator didn't recommend the complaint should be upheld. She first explained our rules mean we could only investigate issues covered in the bank's final response letters issued six months prior to Mr W contacting us (so 6 May 2016 and 10 June 2016). She said:

- there was no evidence of any errors in how the bank managed Mr W's accounts – and contact notes show he was aware the accounts were in arrears and with the internal recoveries team;
- we wouldn't comment on any changes the bank may've made to its collections procedures over time;
- all the required warnings and notices were issued prior to the accounts defaulting
- it was HSBC's policy to combine debts; and
- the bank was entitled to sell the debt, and at this point the third party becomes responsible for it – any issues need to be raised directly with the third party.

Mr W disagreed. He sent a letter from the bank chairman to the Treasury Committee, dated 22 July 2014, explaining how HSBC handles overdue accounts. His experience doesn't comply with this. And from the date the accounts were sold, he hasn't been sent annual statements and balances as required by the industry regulator. He said didn't we consider this to be a regulatory breach, to the detriment of consumers?

my findings

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've reached the same conclusion as the adjudicator and for the same reasons.

I know Mr W feels very strongly about this but I've found no compelling evidence to change the proposed outcome.

First, to clarify: all aspects of Mr W's complaint covered in the two final response letters issued within six months of him coming to this service have been considered.

I've reviewed the contact records for Mr W's current and loan account and don't think the bank should've done anything differently. All required documentation was issued and the bank made clear the consequences of not repaying the debt. HSBC has explained it was policy at the time to merge debts in such circumstances – we don't have the powers to review such policies, and I can't see it caused any loss to Mr W.

The terms of the accounts allowed HSBC to then sell the debt. And from this point the new owner is responsible for meeting all regulatory requirements. Mr W has asked for our comment on the lack of statements and balance information but that isn't within my scope as the debt had been sold at that point. I can only look at the actions of the business party to the complaint, so HSBC in this case.

I've reviewed the July 2014 letter Mr W supplied, but this doesn't change my conclusion. I find no grounds to agree HSBC mismanaged Mr W's debt.

my final decision

My decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 14 November 2016.

Rebecca Connelley
ombudsman