

complaint

Mrs D complains that HSBC UK Bank plc is chasing her for a debt that she considers has been written off by the bank.

background

Mrs D had a credit card with HSBC, and in 2012 the outstanding balance was passed to the bank's collections department. From 2013 the debt was administered by a third party debt charity, and Mrs D made reduced payments to clear what she owed.

In 2018 Mrs D noticed her credit file showed the account as having a nil balance and closed. This information had been recorded in 2014 and 2016. She understood this to mean the debt had been written off by HSBC, so she stopped making payments to the account.

She then started to receive letters from HSBC, chasing her for the outstanding balance.

HSBC said the information on Mrs D's credit file had been recorded in error, and that there was still an outstanding balance on the account. It offered £150 compensation for the confusion caused by the incorrect information on Mrs D's credit file.

The name of the credit card had also changed, and HSBC offered £25 in recognition that its reference to the new name may have also caused confusion.

Our adjudicator thought HSBC's offers were fair. She was satisfied that Mrs D still owed money on her account, and that the information on her credit file had been recorded in error.

Mrs D didn't agree with the adjudicator's conclusions, so the complaint has been passed to me.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my conclusions on the balance of probabilities – that is, what I think is most likely to have happened in light of the available evidence and the wider surrounding circumstances.

I appreciate that Mrs D has strong feelings about the information recorded on her credit file, and that she considers the nil balance means HSBC has written off what she owes.

I realise my conclusions are likely to come as a disappointment to Mrs D, but from what I've seen, on balance I'm satisfied that the credit file information is wrong and that she still owes money on her account.

I say this because HSBC has provided statements to show the amount outstanding when the debt was first administered through the third party debt charity in 2013. It's also provided statements showing what was owed in 2014, 2016, and when payments stopped in 2018.

In addition, it is not uncommon for mistakes to be made in the recording of credit file information. I realise Mrs D wants to understand exactly how these mistakes were made, particularly as the information was recorded incorrectly on two occasions. I can see why Mrs

D might want a full explanation, but I don't consider it would change the outcome of the complaint. HSBC has accepted it made mistakes, and has offered compensation in recognition of that. I think that's fair and reasonable in the circumstances.

I also think it's likely that if HSBC had written off the debt, it would've notified Mrs D and the third party debt charity that was administering her payments. I've seen nothing to suggest that there was any correspondence from HSBC confirming that the debt had been written off.

I'm also mindful that Mrs D had received the benefit of the credit she'd used. So I think it's likely that HSBC would want her to repay what she owed. Again, that means I think it's unlikely that HSBC has written off the debt.

For the reasons I've explained, I'm satisfied that the information on Mrs D's credit file was recorded in error and that HSBC's offer of £150 in recognition of its mistakes is reasonable.

I'm also satisfied that HSBC hasn't written off the debt on Mrs D's account, and that the balance remains outstanding.

The name of Mrs D's credit card changed in 2013, but I don't consider this affected what she owed on the account. HSBC offered £25 in recognition that its reference to the new card name may have caused confusion, and I consider that fair and reasonable in the circumstances.

my final decision

My decision is that HSBC UK Bank plc should pay £175 in total to Mrs D.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 17 August 2019.

Caroline Stirling
ombudsman