

## **complaint**

Mr B complains that HSBC Bank plc has incorrectly registered adverse information on his credit file.

## **background**

Mr B says that HSBC recorded a default on his account in late 2010 but it should have been recorded earlier than this because he was in financial difficulties. He wants it to backdate the information to earlier in that year.

The adjudicator didn't think this complaint should be upheld. She felt that HSBC didn't make a mistake by recording the default when it did. HSBC had made formal demand for repayment of the debt and as Mr B didn't respond it then recorded the default.

Mr B disagreed. He said that he doesn't remember receiving the formal demand in September 2010.

## **my findings**

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

The credit reference company guidance says that default registration is made when a credit agreement has ended because the borrower has failed to keep to it and not responded satisfactorily to requests to bring their payments up to date. Normally this means that a default should be filed where the due payments have not been received for about six months.

I see that Mr B's account was overdrawn from late 2009 without a formal overdraft agreement. Mr B says that he was in financial difficulties. In such situations, banks are expected to treat their customers positively and sympathetically. That might mean coming to a mutually agreeable arrangement about any debt, such as developing a repayment plan – but it doesn't mean that the bank is automatically obliged to do this nor does it mean that Mr B was in default. HSBC was entitled to make enquiries and carry out its own investigations to check on the situation.

In early 2010 HSBC transferred the account to its debt collectors. But it agrees that this was a mistake. I find that HSBC had agreed an arrangement to pay with Mr B and it allowed him time to see if his financial situation improved. Mr B made the first repayment in March 2010 but didn't make any further payments. HSBC wrote to him asking him to bring the payments up to date in the following months and I find that it told him it would make demand for full repayment if he didn't respond. Formal demand was made in September 2010 and Mr B didn't respond satisfactorily to this either. Whilst I understand Mr B says he didn't receive this, I'm satisfied that HSBC sent it.

Mr B made his last payment to the account in March 2010. HSBC gave him six months to contact it to make other repayment proposals before deciding the temporary arrangement had broken down and making formal demand for the full repayment of the debt. It then registered the default with the credit reference agencies. I consider that this is in line with the credit agencies' guidance. HSBC was entitled to record the default at that point and I'm not persuaded that it would be appropriate for me to require the bank to amend Mr B's credit file.

**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 B to accept or reject my decision before 3 May 2016.

Karen Wharton  
**ombudsman**