

## **complaint**

Mr G complains that HSBC Bank plc has not treated he and his ex-business partner equally in collecting their outstanding partnership debt. He wants the bank to agree that he is not liable for the repayment of the remaining debt.

## **background**

Mr G and another person were partners in a business which borrowed money from HSBC. That business closed, and the bank asked the partners to repay the outstanding debt. Mr G paid 50% of the outstanding debt, but his ex-partner did not make an equal contribution. The bank has asked Mr G to repay the remaining debt, but Mr G considers this unfair. He says, in summary, that the bank has regarded him as a “soft option” and has not pursued his ex-partner for repayment as robustly as it should have done.

Our adjudicator did not recommend that the complaint should be upheld. He concluded, in summary, that both partners were jointly and severally liable for the debt. He was satisfied that the bank had tried to recover the money from both partners, and that it was entitled to seek the remaining shortfall from Mr G.

Mr G did not accept the adjudicator's conclusions. He said, in summary, that he was not disputing his joint and several liability for the full partnership debt but that he wanted recognition that the bank had originally agreed to repayment on a 50/50 basis from the partners, and that the bank had not done enough to pursue the other partner. He did not consider that the bank had treated the partners equally.

## **my findings**

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

Mr G accepts that he has joint and several liability for the full debt. HSBC does, therefore, have the right to require him to repay more than the 50% he has paid already. It did originally believe that the partners would be able to pay off half of the debt each, and put in place arrangements for them to do so. However, it did not agree to accept 50% payment as sufficient to release one partner from responsibility for the other's share if that was not paid.

The other partner has made a significant repayment of the debt, as can be seen from the amount that HSBC is now asking Mr G to pay. That amount is considerably less than half of the original debt. For reasons of customer confidentiality HSBC cannot tell Mr G what contact it has had with his ex-partner over repayment, but from the evidence presented to me I am not persuaded that the bank has regarded Mr G as a “soft option” for repayment. It has attempted to get the money back from his ex-partner, but faced with that partner's inability to make full repayment it is fair and reasonable for it to look to Mr G to meet the shortfall.

I appreciate that Mr G feels that the bank has not sufficiently recognised his efforts in paying off 50% of the debt, and that he feels that he and his ex-partner are not being treated equally. I also note that the bank has accepted, in its final response letter, that there was a delay in its collection process following a transfer of responsibility. However, ultimately HSBC has the right to make a commercial decision about where it tries to recover the

outstanding debt, and this service does not have the power to require it not to look to Mr G for this.

**my final decision**

My decision is that I am unable to uphold this complaint.

Malcolm Rogers  
**ombudsman**