

complaint

Mr B complains that HSBC Bank Plc continued to apply charges to his account while his complaint was with this service. He wants it to agree to waive these charges and for adverse information to be removed from his credit record.

background

Mr B had a complaint with this service about overdraft arrangements on his HSBC account. The bank agreed to suspend recovery actions while the complaint was investigated, but it continued to apply charges to the account. It offered to refund £125 charges if Mr B repaid the debt. The account defaulted and was passed to the bank's collection service and then to its agent to seek recovery. The bank withdrew its offer to refund some fees. Mr B wants the bank to agree to settle for repayment of the debt owed at the time his complaint came to this service.

The adjudicator did not recommend that the complaint be upheld. She thought that the bank was within its rights to continue applying charges while the complaint was with this service. Its agreement to suspend recovery actions was a gesture of goodwill. She explained that because the account was over its limit, the bank fairly applied charges according to the terms and conditions of the account. Because Mr B did not agree an arrangement with the bank to repay the debt, it fairly passed the debt to an agency for recovery. It correctly recorded the default on Mr B's credit record.

Mr B responded that he felt cheated and robbed. He wanted to repay what he owed, have the default marker removed, and get on with his life.

my findings

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

I can understand that Mr B feels that he has been badly treated. I can see that he was trying to bring his finances to order and to move on with his life. His attempts to manage his debt with HSBC were unsuccessful and the bank applied charges.

His previous complaint to this service was not upheld, and the bank sought to recover the debt. Its in-house service was unsuccessful in its attempts to arrange repayment with Mr B.

It then passed the debt to an agent. This confused Mr B who thought that two different companies were trying to recover the same debt. His offers of repayment of a small monthly amount were declined. Due to the length of time, the bank withdrew its offer to refund some charges. Mr B is now left with the original debt, the charges applied to it, and a default marker on his credit record. This is hindering his attempts to gain further credit.

There is no dispute that Mr B had an outstanding debt with HSBC and was responsible for repaying it. When he did not do so, the bank was entitled to apply charges. It is not obliged to suspend these while the complaint is with this service. I am satisfied that these charges were applied according to the terms and conditions of the account and I cannot properly ask the bank to refund or waive them.

When Mr B did not agree a repayment plan for his debt, the bank defaulted the account. It passed it to its agent for recovery and recorded the default on Mr B's credit file. Again, I am satisfied that the bank has not acted incorrectly. It is entitled to attempt to recover its debts and is obliged to record accurate information with the credit reference agencies.

my final decision

My decision is that I do not uphold this complaint.

Phillip Berechree
ombudsman