

complaint

Mr V complains that HSBC Bank Plc failed to administer his managed loan arrangement properly and registered an adverse notice on his credit file.

background

Mr V encountered financial difficulties and approached HSBC in late 2012. Mr V and the bank agreed to consolidate his debts into a managed loan arrangement. The bank required him to make two monthly payments before the loan could be set up formally. Mr V made the two payments, but the bank didn't set up the loan as agreed and passed his debt to its collection arm. It also placed a notice on his credit file.

Mr V contacted the bank and realising it had made a mistake recalled his debts and removed the adverse notice. It issued the paperwork for the loan to Mr V. However, he decided to look elsewhere for a loan and didn't return the signed papers. The bank tried to contact Mr V on several occasions but without success and it then passed the debt to its debt collection arm. An adverse notice was placed on his file and Mr V says he could not obtain another loan.

Mr V contacted the bank and asked that the notice be removed and the loan reinstated, but the bank refused. Mr V brought his complaint to this service.

The adjudicator considered that this complaint should be upheld in part. She considered that the bank had made a mistake in not sending the original paperwork for the loan and suggested that compensation of £100 be paid. However, she considered that the bank had sought to rectify the problem, but Mr V had not returned the paperwork or responded to the bank's calls. In the absence of contact from Mr V the bank had taken what the adjudicator regarded as reasonable action. Mr V did not agree.

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 Mr V's annoyance at having an adverse notice placed on his credit file when he was trying to deal with his financial problems in a responsible way. I agree that the bank was in error when it failed to send him the loan agreement as it had agreed to do.

However, when notified of its mistake the bank rectified the matter, issued the loan paperwork and asked Mr V to send back the signed agreement. If he had done so then the current problem would not have arisen. However, he chose to ignore the bank's requests while he looked for another loan.

The bank tried contacting him on several occasions without success and it took what I consider to be the reasonable step of passing the loan to its debt collection arm. For these reasons, aside from its failure to send out the loan paperwork, I cannot conclude the bank made a mistake.

my final decision

My final decision is that I uphold this complaint in part and direct HSBC Bank Plc to pay Mr V £100.

Ivor Graham
ombudsman