



complaint

Mr G complains about the way HSBC Bank Plc has treated him in relation to the debt on his business account, following his being unable to work due to serious illness. In particular, Mr G says that HSBC failed to keep to repayment agreements made with him by the branch staff.

background

Mr G's self-employed income stopped because of illness. He went to a local branch to discuss how the debt on his business account could be dealt with, and says that two named members of the branch staff agreed on separate occasions that he could pay £10 a month towards the debt. Mr G recalls the staff members telephoning other HSBC departments before agreeing to this.

Mr G then received various communications from HSBC, telling him that the account had been passed to its collections area. Mr G says that in spite of his best efforts to sort things out, HSBC has not helped him and his account remains in the collections area – a step that he feels would have been avoidable, had HSBC kept to the agreement reached with the branch.

One of our adjudicators looked into Mr G's complaint. He did not doubt that Mr G had been committed to addressing his debt, and considered that the approach taken by the branch staff was a genuine attempt to help. However, the adjudicator was not persuaded that HSBC was prevented from referring the business debt to its collections area, given that the monthly figure Mr G had offered would not repay the business debt within a realistic timescale. The adjudicator agreed with Mr G that HSBC's communication about the debt should have been better on a number of counts, and recommended that HSBC should pay Mr G £150 to reflect that.

Mr G did not feel that the adjudicator's proposal went far enough. He wrote with his comments, which I summarise:

- HSBC seems to be ignoring its failings, and is trying to put the blame on branch staff who did their best and tried to contact senior management before making the agreements with him.
- He was committed to keeping his side of the bargain and paying the debt off at £10 a month; so far as he was concerned, a firm agreement had been made in the matter.
- He was obliged to take some taxis to the branch (as he does not have a local bus service and has been told by his medical consultant not to drive), and was also asked to wait in for calls from HSBC which he never received. He would like the extra expense and inconvenience of that to be taken into account.

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 am satisfied that Mr G has been scrupulous in his efforts to try to sort out his business debt with HSBC, and I can understand why he has found the situation so frustrating. From what I have seen, he has been dogged by poor communication and lack of coordination on HSBC's part.

The arrangements made through the branch appear to have been attempts by the branch staff to try to sort something out for Mr G having found it difficult, themselves, to get an answer from the relevant department. There was confusion and lack of communication by HSBC, with Mr G having been told at one point not to make any payment at all. None of this has helped Mr G, during a period when he was understandably trying to avoid stress.

I can appreciate why Mr G feels aggrieved that his debt ended up in the collections area, after he had – to his mind – reached a firm agreement with the branch about how he could pay it off. In practical terms, though, transfer to the collections area meant that the debt no longer attracted either charges or interest. It seems to me that the manual refunds applied by the branch staff could only ever be an interim measure in this case, and would not be a viable way of managing the debt in the medium term.

I have thought about the points that Mr G has made concerning his inconvenience and out of pocket expenses. Whilst I have arrived at broadly the same conclusions on this complaint as did the adjudicator, I consider that compensation should be increased to £250 to reflect these additional points.

HSBC has told us that it is willing now to make arrangements with Mr G about how the debt can best be repaid, having regard to his current financial position. I would remind HSBC of its duty to act fairly in that regard. I note that the adjudicator has provided Mr G with contact details for some reputable free advice agencies that may be able to help him, and has explained that we are not able to negotiate on his behalf.

my final decision

My final decision is that I uphold this complaint in part, and I order HSBC Bank Plc to pay Mr G £250.

Jane Hingston
ombudsman