

complaint

Miss A and Mr B complain that HSBC Bank Plc applied unfair and disproportionate charges on their two accounts forcing them into a debt management plan.

background

Miss A and Mr B say that HSBC applied £1,266 in charges on their two accounts which did not reflect the true cost of collecting this money. They say that these disproportionate charges forced them into a debt management plan from which they emerged in 2012. However, they still face a debt to HSBC which they consider unfair.

HSBC says that the charges were applied correctly in line with its terms and conditions and its fair fees policy. Our adjudicator did not recommend that this complaint should be upheld as the charges were applied to the account correctly. She felt that HSBC had offered sufficient assistance to Miss A and Mr B in 2009 by agreeing repayment plans to reduce the overdrafts. Miss A and Mr B disagree saying in summary that there is a lack of transparency in the bank and that instead of helping, the bank made their situation worse.

my findings

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

In her emailed response to our adjudicator's view of 9 June 2014, Miss A referred to further information which she had which might assist me in my decision. As it has not been received by the service I will proceed to make a decision in the absence of this further information.

Miss A and Mr B say that the HSBC charges do not reflect the cost of HSBC collecting the money from them. They also have concerns about the transparency of the charges and HSBC's attempt to increase their debt problems by offering them a consolidation loan. I have considered the charges on these accounts. There are a range of charges which arise out of the way Miss A and Mr B operated these accounts and the tariff HSBC charged. I note a number of "arrangement fees". These arose whenever Miss A and Mr B drew on their account beyond the overdraft limit. But this was a facility that HSBC provided, used by Miss A and Mr B and for which HSBC charged. HSBC provided me with a list of these charges. As the charges were not related to their debt but the usage of the account, I cannot uphold Miss A and Mr B's complaint that they were a penalty for the debt. As the charges appear on their monthly statements and are contained in a published tariff, I cannot agree that they were not transparent.

Although Miss A and Mr B say that HSBC provided no assistance to them in financial difficulties, I see that there were two repayment agreements to reduce the overdraft before the accounts were put into the hands of collection agents. This suggests that the bank did engage with Miss A and Mr B. As these agreements were not maintained and the balance remained outstanding, I am not persuaded that HSBC acted incorrectly by registering a default on the accounts. Like the adjudicator I can find no evidence that HSBC offered a consolidation loan at a high rate of interest. As a result I cannot fairly uphold this complaint.

my final decision

My decision is that I do not uphold this account.

Gerard McManus
ombudsman