

complaint

Mr F complains that HSBC Bank Plc allowed him to go overdrawn on his current account when he had no overdraft agreed. He says the charges for the overdraft have been wrongly applied and should be refunded in full.

background

Mr F has a current account with HSBC. Between March 2015 and June 2015, Mr F incurred overdraft fees as his account went overdrawn. Mr F says that he did not agree to an overdraft and that HSBC should not have allowed the transactions to go ahead.

HSBC says it is for Mr F to make sure he has enough money in his account to prevent his account becoming overdrawn. It says an informal overdraft is allowed by its terms and conditions to assist customers and to avoid any embarrassment and damage to the customer's credit rating that a refused payment may cause.

Our adjudicator did not recommend that this complaint be upheld. He found that HSBC had acted in accordance with its terms and conditions and had not made an error in making an informal overdraft available to Mr F.

Mr F did not accept the adjudicator's opinion and says that HSBC did not act in accordance with its "Guide to Services" leaflet and he wasn't aware of the terms and conditions.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr F refers to HSBC's "Guide to Services" leaflet which says that the debit card can only be used up to any agreed overdraft. I accept that Mr F did not request a formal overdraft. But the terms and conditions allowed an informal overdraft request to be made each time Mr F authorised a payment from his account and there was not enough money to make the payment. The terms and conditions allowed HSBC to agree the overdraft request.

Prior to this present complaint, Mr F had written to HSBC to complain about charges applied to his account in 2013. HSBC responded and explained why the charges had been incurred and about informal overdraft requests. It also confirmed "our fees are clearly stated in our published price list, and the circumstances in which these will apply are set out in our Personal Banking Terms and Conditions, a copy of which all customers have been provided with."

In this case, I find that given the previous complaint in 2013, and HSBC's response, Mr F was aware of the terms and conditions and should have reasonably known he would incur charges if his account became overdrawn again, as it did in 2015.

I find that HSBC has acted fairly and reasonably in its response to Mr F, although I appreciate Mr F will be disappointed by my decision.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 11 April 2016.

Geraldine O'Donnell
ombudsman