

complaint

Mrs B took out a managed loan in 2006 to consolidate her debts. She agreed to pay £400 a month. In 2009 Mrs B was unable to meet the monthly payments due to financial difficulties. HSBC Bank Plc passed the debt to debt recovery. Mrs B is unhappy that the debt company kept telephoning her. She is also unhappy that HSBC failed to restructure her loan after she received a payment protection insurance (PPI) refund.

background

The adjudicator did not believe the loan should be restructured and Mrs B accepted this. However, she recommended that HSBC pay Mrs B £100 for distress and inconvenience. She does not believe HSBC acted positively and sympathetically to a customer in financial difficulty. In 2009 Mrs B offered to pay £25 a month, and HSBC rejected this. It gave inconsistent reasons for doing this, first that this amount was insufficient for a repayment plan and then that it did not think she could afford this. In 2009, HSBC called a mobile number that she asked HSBC not to call. This caused distress and embarrassment as the telephone had been given to a friend.

HSBC does not think it has done anything wrong and says it acted positively and sympathetically to a customer in financial difficulty. It does not agree to pay £100 for distress and inconvenience.

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 agree with the adjudicator for much the same reasons. HSBC acted sympathetically and positively when Mrs B first got into financial difficulties and agreed a managed loan. Unfortunately Mrs B's late husband lost his job and Mrs B was unable to make the agreed repayments. In 2009, HSBC was entitled to pass the account to debt recovery according to its terms and conditions.

I agree with the adjudicator that the PPI refund does not mean that HSBC should have restructured the loan. I am satisfied from the information provided that the loan balance is still due and repayable by Mrs B.

However, HSBC did not act positively and sympathetically regarding Mrs B's offer to repay £25 a month. HSBC gave inconsistent reasons for rejecting the offer as outlined by the adjudicator. It also telephoned a mobile number that she had asked it not to call causing distress and embarrassment. Overall, I am not satisfied that HSBC has treated Mrs B positively and sympathetically in connection with the phone call and the rejection of her £25 a month repayment offer.

my final decision

My final decision is that I uphold this complaint in part. I order HSBC Bank Plc to pay Mrs B £100 for distress and inconvenience.

Clare Hockney
ombudsman