

## **complaint**

Mr S complains that HSBC Bank Plc was irresponsible in lending him money.

## **background**

In the autumn of 2016 Mr S increased his overdraft limit using the bank's online facility. The bank declined a further request and he applied for a loan of some £7,500, a small part of which was used to clear an existing loan. A few weeks later he applied for a second loan of £2,000 and said this was for home improvements. The bank says the loans were credit scored using information it held plus details of income and expenditure supplied by Mr S. As he met the bank's lending criteria the loans were granted. At this time Mr S's credit card limit was increased from £2,000 to £5,400 following a routine review.

After Mr S complained to this service the bank said that it noted he had spent significant sums on gambling, but how customers spend their money is their choice. It added that when he spoke with the bank in late September he had been advised not to use his card.

The complaint was reviewed by one of our investigators who didn't recommend it be upheld. He established that the bank had called Mr S in September as it had concerns about his account, but he reassured the business that everything was fine. Mr S says that despite him telling the bank that all was ok it should have put a marker on his account. However, the investigator felt that HSBC had made the relevant checks before lending him money and given he had told it that everything was fine in September it hadn't acted irresponsibly. Mr S didn't agree.

## **my findings**

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

I have every sympathy with Mr S, but find myself in agreement with the investigator. The applications for the loans were made online and subject to the bank's standard lending criteria. Mr S met those criteria. He also told the bank that one of the loans was for house improvements and it accepted this. It declined one of his requests for an increase in his overdraft and it called him as it was concerned about his spending pattern.

If Mr S had let the bank know that he had a gambling problem at that point I would have expected it to act accordingly. But he didn't and he reassured the bank everything was fine. The bank cannot tell customers how to spend their money and it is difficult to conclude a bank shouldn't lend to a customer if they meet the lending criteria. I also note that as late as October Mr S was paying off his credit card bill which didn't suggest he had a financial problem. He may have used the bank loan to do so, but although the bank had concerns I don't consider it was unreasonable to accede to his request to borrow money. I appreciate that Mr S will be disappointed with my decision, but I cannot safely conclude the bank did anything wrong.

**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 S to accept or reject my decision before 28 April 2017.

Ivor Graham  
**ombudsman**