

complaint

Mr T complains that HSBC Bank Plc has continued its actions to recover a debt he owes it while his case is being investigated by this service. He believes that this is harassment and he seeks an apology and reimbursement of his costs.

background

Mr T has an outstanding debt on his credit card account with HSBC. The account had Payment Protection Insurance (PPI) which was refunded and used by the bank to offset the debt owed on the account. Mr T challenged this, but his complaint was not upheld by this service. The bank has attempted to recover the outstanding debt and its agents have written to Mr T and telephoned him to discuss it. Mr T considers that this constitutes harassment under Office of Fair Trading (OFT) guidelines as he considers that debt recovery should be halted while the case is with this service.

The adjudicator did not recommend that the complaint should be upheld. She explained to Mr T that the OFT guidelines refer to disputes where the debt owed is in question, perhaps due to fraudulent activity. There is no dispute that Mr T has an outstanding debt with HSBC. She said that the bank was within its rights to attempt to recover its debt. The bank is under no obligation to suspend its procedures while the complaint is being investigated by this service. She advised Mr T to co-operate with it to agree a repayment plan and referred him to debt management organisations for assistance.

Mr T responded that the debt was in dispute as the amount owed has yet to reflect the PPI refund. He declined to divulge his income and expenditure details to the bank. He restated his belief that the OFT guidelines should apply and that he was being harassed.

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 that the OFT guidelines on debt collection do not apply when the debt is not in dispute. There is no dispute that Mr T owes an outstanding debt on his credit card account to HSBC. The bank is, as the adjudicator has explained, within its rights to seek to recover this debt. To do this it, or its agents, must make contact with Mr T. It is not obliged to halt its procedures while the complaint is with this service. I do not consider that its actions constitute harassment. It follows that I cannot properly require the bank to compensate Mr T for his costs in this dispute.

Mr T has repeatedly stated his firm intention to repay this debt. He has made offers to the bank, but it has not agreed them. When a bank is aware that a customer is in financial difficulties, it is expected to respond positively and sympathetically. In Mr T's case, I can see that the bank passed his debt to recoveries. This freezes interest and charges and allows an affordable arrangement for repayment to be made. In order for the bank to agree a repayment plan, it needs to take a view of Mr T's circumstances. It has repeatedly requested that Mr T complete an income and expenditure form but he declines to do this.

I encourage Mr T to co-operate with the bank and its agents to repay his outstanding debt. The adjudicator has already provided him details of debt management organisations for assistance.

my final decision

My decision is that I do not uphold this complaint.

Phillip Berechree
ombudsman