

complaint

Mr and Mrs M complain that HSBC Bank Plc went back on an agreement it had with them to accept regular monthly payments to pay off their joint overdraft. They complain this arrangement had been in place for several years when HSBC decided to break it and demand immediate repayment of their overdraft.

Further, they think that the bank has failed to provide the level of customer service they're entitled to expect from it.

our initial conclusions

Our adjudicator concluded that HSBC had done nothing wrong by asking Mr and Mrs M to pay off their overdraft. He said this because HSBC had acted in line with the terms and conditions of the account. Mr and Mrs M would've accepted these terms and conditions in order to have the account.

Further he did not see anything inappropriate in the nature or the tone of the contact HSBC had with Mr and Mrs M.

We've received no response from HSBC about these conclusions. But Mr and Mrs M rejected them and asked for an ombudsman's decision.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. And I've decided it would not be fair or reasonable to find in favour of Mr and Mrs M. I set out my reasons for saying this below.

it's not fair to say HSBC can no longer rely on the terms and conditions of the account

Mr and Mrs M say that, for several years now, they've had an agreement (agreement 2) with HSBC where they make regular monthly payments towards their overdraft. It seems they thought everything was going well until HSBC – out of the blue – decided to end the agreement.

The couple say this just isn't on because agreement 2 superseded the original agreement. That is HSBC can no longer rely on the original account terms and conditions because they've been modified by agreement 2.

I see where Mr and Mrs M are coming from but I do not agree with them. It does seem they have been making regular monthly payments to HSBC for years and HSBC has been accepting these. HSBC certainly has not said this is incorrect.

Mr and Mrs M describe this as a repayment plan. HSBC says there was no repayment plan. But I think what name we give to agreement 2 is irrelevant. That is because even if this was a repayment plan, it would still have been informal that is the nature of a repayment plan. It would always have been temporary and would not permanently modify the relationship between Mr and Mrs M and HSBC.

Mr and Mrs M refer to contract law to support their complaint. But I see nothing to suggest that there was a "meeting of the minds" between them and it and that they all agreed that agreement 2 should be binding and replace or modify the account terms and conditions.

It seems HSBC has acted in accordance with the account terms and conditions. I think it was entitled to do this. And it only asked for full repayment of the overdraft after several years of accepting moderate repayments. It could always have demanded payment in full right from the beginning. Instead it went with this less harsh arrangement. It seems that Mr and Mrs M have been given a lot of breathing space by HSBC to pay off this debt and it's not fair to ask it to do more. Further I do not think it's fair to ask it to stick forever to a temporary agreement.

HSBC did provide adequate customer service

I've looked at the communications between Mr and Mrs M and HSBC. Its records show it contacted Mr and Mrs M in 2014 to tell them that their overdraft was up for renewal. It asked them to contact it. The bank's records show it received no response so decided to ask Mr and Mrs M to repay the overdraft. I recognise that this may have been a shock to Mr and Mrs M after several years of making small repayments. But I do not agree that this contact was inappropriate.

I can see the relationship between Mr and Mrs M and the HSBC then began to get worse when HSBC made it clear it was going to continue with recovery action. Mr and Mrs M say HSBC hounded embarrassed and intimidated them. But I cannot see that it did; it does not appear to have been calling Mr and Mrs M in an inappropriate manner. Further it seems to have stopped calling when Mr and Mrs M told it to and wrote to them instead. It does not appear to have made excessive written contact as it seems it sent around 9 letters over an 8 month period.

For all these reasons it's not appropriate for me to ask HSBC to pay compensation for the customer service it provided.

my final decision

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs M to accept or reject my decision before 14 September 2015.

Joyce Gordon
ombudsman