

## **complaint**

Mr W is unhappy with the credit limit HSBC UK Bank Plc (HSBC) offered him on a new credit card.

## **background**

In 2016 Mr W successfully applied for a new credit card with HSBC and was given a credit limit of £5,500. Mr W has exceeded the credit limit on the card, and he has entered into a payment arrangement with HSBC to repay the outstanding balance.

Mr W has complained that HSBC didn't carry out proper checks at the application stage – he says he was in significant financial difficulty when he applied for the credit card and already had agreements with debt management companies. Because of this, he doesn't think HSBC should've given him any credit – it would've caused him further financial difficulties - and he believes they should waive the outstanding balance on the card.

Mr W has said he was 'gambling heavily' at the time he was given the credit card. He's also complained that HSBC wouldn't accept payments from a gambling website, and that they didn't freeze his card or reduce his credit limit when they knew he had a gambling problem.

Our investigator found HSBC had provided a reasonable service. She felt that HSBC had done a reasonable assessment of Mr W's creditworthiness before they offered him a credit card, and that this was based on the information they had at the time. She also felt that HSBC had acted reasonably when Mr W contacted them about his financial difficulties in 2017. So, because of this, she didn't think HSBC needed to do anything.

Mr W disagreed with the investigator. He says that HSBC didn't do enough to help him in his situation. He feels HSBC should've known there was a significant increased risk, because he was struggling to repay what he owed them, and that they should've refused transactions and suspended the use of his account. He's also unhappy that HSBC can't provide copies of phone calls where he says he told them about his gambling problem.

## **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 W didn't have any other accounts with HSBC when he applied for the credit card. So they wouldn't have known that he was 'gambling heavily' at the time of the application – they wouldn't have had access to any transaction history that would've shown this was the case.

HSBC are required to undertake a reasonable assessment of a customer's creditworthiness before entering into a regulated credit agreement. On his application Mr W declared he was in full time employment, with an income of around £35,000. The income declared was reasonable for the job Mr W said he did, and HSBC didn't have any other accounts they could check this against. So they used the information Mr W had provided when looking at affordability. I think this was reasonable.

HSBC also have an automated credit file checking process, so don't have a copy of Mr W's credit file at the time of his application. Mr W has provided a copy of his credit file and this shows he had had some financial difficulties in 2015, but he was up to date with all agreed payments when he applied for the credit card. So I can't say that HSBC didn't do a reasonable assessment of Mr W's application.

HSBC offered Mr W a credit card, with a credit limit of £5,500, and sent him an agreement to sign to accept this. Mr W didn't query the credit limit or ask for a lower amount at this point. And I haven't seen that he told HSBC that he had a gambling problem at this point either. So I can't say they applied their policies unfairly.

Mr W contacted HSBC in March 2017 due to financial difficulties – he said he'd been out of work, but now had new employment. He feels that, at this point, HSBC should've known he had a gambling problem because all his transactions were gambling related. But I agree with the investigator that customers are entitled to choose how they use their credit card, and it wouldn't be fair for HSBC to *assume* Mr W had a gambling problem just because he'd used the card for gambling transactions.

When Mr W called HSBC about his financial difficulties, they discussed his income and expenditure, agreed a temporary payment plan and froze interest and charges. They also gave him details of a debt charity he could speak to. I think this was reasonable, and I don't think HSBC should've done anything more.

Mr W has said that HSBC wouldn't accept payments to the credit card direct from a gambling website. This is standard practice with most credit card companies, and acceptable payment methods were listed on the monthly statements HSBC sent Mr W. So I don't think they've done anything wrong by not accepting this payment method.

HSBC haven't been able to provide copies of any other calls they had with Mr W because Mr W wasn't able to say when he made these calls to them. I don't think this is unreasonable that HSBC need details of roughly when a call was made for them to trace it. And I don't think that a lack of call recordings means HSBC are 'trying to hide something'. I can't uphold a complaint on the lack of call recordings alone.

### **my final decision**

For the reasons explained above I don't uphold Mr W's complaint about HSBC UK Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 12 January 2020.

Andrew Burford  
**ombudsman**