

## **complaint**

Miss S complains that HSBC UK Bank plc has wrongly defaulted her account and recorded the information on her credit file.

## **background**

HSBC told Miss S her account was being passed to its debt recovery team because it had been overdrawn for some time. HSBC reduced the account balance to nil on its records before passing it to the debt recovery team. It also recorded the default on Miss S's credit file.

On the same day, Miss S made a payment to clear her overdraft. HSBC wrongly told her the account had already been cleared. It says it returned Miss S's payment to her.

Miss S has been chased for the debt as it is still outstanding.

HSBC accepted it had given Miss S incorrect information about the status of her account after she'd made the payment to clear her overdraft. It gave her a period of time to clear the debt and said that if she did it would remove the default from her credit file. Miss S didn't make the payment so her credit file hasn't been changed, and she is still responsible for the debt.

Since this service has been involved, HSBC has also offered to pay Miss S £100 for the inconvenience caused by the incorrect information it gave her.

Our investigator thought HSBC's actions were fair. He was satisfied that the bank had given Miss S the opportunity to settle her account so that it wouldn't be defaulted. He also considered the compensation offered by HSBC was fair.

Miss S didn't agree with the investigator's conclusions so the complaint has been passed to me.

## **my findings**

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

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my conclusions on the balance of probabilities – that is, what I think is most likely to have happened in light of the available evidence and the wider surrounding circumstances.

It's not in dispute that Miss S made a payment to her account on the same day that HSBC reduced the balance to nil and referred it to its debt recovery team. It's unfortunate that HSBC didn't realise the debt still had to be paid, and wrongly told Miss S that her payment represented an overpayment.

HSBC has offered Miss S £100 in recognition of its mistake, and I think that's fair and reasonable in the circumstance.

HSBC says it refunded Miss S's payment to her, but she says she didn't receive it. But Miss S hasn't been able to provide any evidence to support what she's told me. From what I've seen, on balance I think it's likely that Miss S's payment was returned to her.

When HSBC realised Miss S had been given wrong information about the status of her account, it gave her the opportunity to clear the debt and said it would remove the default from her credit file. I think the amount of time HSBC gave Miss S to settle the account was reasonable in the circumstances.

As Miss S didn't pay what she owed, HSBC didn't have to remove the default from her credit file.

Overall, I'm satisfied that HSBC acted reasonably following the wrong information it gave Miss S about her account. It should pay Miss S £100, but I'm not persuaded that it needs to do anything else.

### **my final decision**

My decision is that HSBC UK Bank plc should pay £100 to Miss S if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 6 July 2019.

Caroline Stirling  
**ombudsman**