

complaint

Mr D complains that HSBC Bank Plc added fees to a credit card account he said he had closed. He doesn't feel he should have to pay as he wasn't made aware of these as he didn't receive any statements. And he says the debt has ruined his credit file.

background

Mr D tells us that early in 2015 he paid off the balance of his credit card. He says he was told at the time he could no longer use the account. And when he moved address around this time he didn't update HSBC - as he says he believed the account was restricted and he'd paid the balance.

Mr D told us that subsequently HSBC closed this account and also stopped him using his business debit card. He says its now added charges to the credit card account and are asking him to pay this amount - even though he says he was unaware of the debt. And that as a result of the default his credit file has been ruined.

HSBC told us that whilst Mr D had made a payment to clear the account - the card had been used later in the year. And it had sent statements to the address that Mr D had registered with it. As no payments were made subsequent to the later use, it had added interest and charges in line with its terms and conditions. It had also sent the warning letter and the notice of default to the registered address. It felt it was up to Mr D to inform it of any change in his address. It was therefore, not able to uphold his complaint.

Our investigator who looked into this matter did not recommend the complaint should be upheld. He found that in early 2015 Mr D had paid off the balance on his credit card - although the account remained open. And later that year he noted that two transactions were made on the card - in a foreign currency. He said as these debts had remained unpaid HSBC had added fees and closed the account - which it was entitled to do under its terms and conditions.

Our investigator also found that Mr D had a debit card account which went into arrears late in 2014 - and when no money was paid in after November 2014 - HSBC restricted this card in March 2015. During this time he commented that Mr D had been receiving credit card statements showing that card was still active. The investigator noted that Mr D had said he changed address in March 2015 and had therefore not received any credit card statements after then. But he felt that as he'd continued to use a HSBC debit card through telephone banking for three months after that move - Mr D should have told the bank of his change of address. When HSBC started getting mail returned in November 2015, the investigator said he found it had tried to ring Mr D on his mobile phone - but hadn't been able to speak with him.

So he concluded that HSBC had acted fairly and that the situation could have been avoided if Mr D had told it of his change of address.

Mr D was not happy with this and said he felt it was up to our investigator to "fix" it for him. When our investigator advised that his opinion had not changed Mr D asked that an ombudsman make the final decision.

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 can see that Mr D paid off the balance of his credit card in early 2015.

Soon afterwards he moved address - but did not inform HSBC of this. Although he says he thought he'd no need to as his accounts were either restricted or the balance paid - he continued to use his debit card through telephone banking. So I think it's clear he should have told HSBC of his change of address at the time. And it's also the case that HSBC only started getting statements returned much later in 2015 - which implies Mr D was receiving them until then.

But even if he wasn't, it seems to me that Mr D knew, or ought to have known, of the state of his accounts. The debit card had gone into arrears in 2014 and nothing had been paid in since. And there'd been use made of the credit card later in 2015 - in a foreign currency - which had been consistent with use at the beginning of 2015.

So whilst Mr D says he was not aware of these debts - he's not disputed that the transactions were made by him. And even if he may have overlooked them - I can't say that was HSBC's fault. So I'm afraid I don't think there's any reason why he shouldn't repay this money - together with the charges - which have been imposed in line with the account terms and conditions. And as HSBC was obliged to record the facts of the debt (and its subsequent default) on his credit file - and has done so correctly - I can't ask them to do anything about that.

So whilst I know this will disappoint Mr D, I believe it's a fair and reasonable outcome.

my final decision

For the reasons given above I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 24 July 2017.

Stephen D Ross
ombudsman