

complaint

Mr J complains that HSBC Bank Plc acted unfairly in selling a debt arising from his current account and he disputes that the debt is due.

background

In early 2008 the bank authorised a £900 overdraft for Mr J. However he exceeded this limit and the bank asked that he reduce the balance. Eventually in late 2008 it withdrew the overdraft facility and asked that he repay the debt. In December 2008 Mr J completed a HSBC review form and agreed to repay the debt at rate of £100 a month. The bank says that Mr J failed to make the payments and in December 2011 it sold the debt to a third party.

Mr J says he did not receive correspondence from the bank seeking repayment of the money. He also says that the bank compounded his debt unfairly by adding charges. He asked that the debt be written off, but the bank refused. The matter was brought to this service and the adjudicator did not recommend that Mr J's complaint be upheld. She was satisfied that the bank had issued the appropriate notifications to the correct address. She also noted that the terms and conditions of the overdraft facility allowed the bank to withdraw it as it had done and that it was entitled to sell the debt. Mr J did not agree.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Mr J failed to keep his account within his overdraft limit and I am satisfied that the bank wrote to him at the correct address on a number of occasions to inform him of the position. It also entered into an agreement with him to settle the debt over a period of time, but Mr J failed to keep up the payments.

The terms and conditions of the account allow the bank to withdraw the overdraft facility and the bank was within its rights to do so. It has sought to assist him in dealing with his debt and he regrettably did not make the agreed payments. As for the charges that Mr J considers compounded his debt these were imposed on two occasions when the overdraft exceeded the limit. They totalled £125 and I consider them to have been correctly applied by the bank.

The bank sold the debt as part of a package of debts. Given that Mr J had not sought to clear his debt for some considerable time the bank was fully entitled, as matter of commercial judgement, to sell the debt.

While I appreciate Mr J's position I cannot see that the bank has acted incorrectly in its handling of his account. He incurred the debt and it his responsibility to repay it.

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 J to accept or reject my decision before 6 January 2015.

Ivor Graham
ombudsman