

complaint

Miss L complains that she has not been treated fairly by HSBC Bank Plc when it dealt with her and lent her money.

background

Miss L says that HSBC lent her money irresponsibly, loans were unaffordable and about how she was treated when she experienced financial difficulty. HSBC has offered to refund some interest and charges to her and pay her an additional £100 by way of an apology. Miss L has not accepted this offer and wants the bank to write off or cancel her outstanding debt.

In summary, our adjudicator concluded that:

- He could not consider Miss L's flexiloan in this complaint as the issues arose more than six years before she had raised her complaint;
- HSBC was entitled to grant or remove her overdraft and this was a matter of it exercising its commercial judgement in which we would not interfere;
- The bank's decision to increase the credit limit on Miss L's credit card was based on the good conduct of the account but Miss L was not obliged to take advantage of the increased limit;
- He did not believe HSBC had acted incorrectly in arranging the consolidation loan;
- It was fair and reasonable for HSBC to have sought additional clarification before proceeding with the managed loan agreement (MLA) due to the discrepancy between CCCS's assessment of a feasible repayment arrangement and Miss L's proposal;
- Given the frequency of reversed payments to the MLA the bank could have passed Miss L's debt to collection agents earlier than it did;
- But it was fair and reasonable for Miss L not to have signed the MLA if she had doubts about her ability to meet the payments and to have continued working with CCCS on an affordable solution;
- Even when she was in financial hardship the bank was not obliged to suspend interest or charges or accept her proposed payment plan but it had to treat her positively and sympathetically;
- HSBC had acted in line with the relevant industry codes;
- HSBC's offer to refund a total of £1,246.52 to Miss L (representing 50% of the debit interest and charges for unpaid return fees and £100 by way of an apology) was fair and reasonable.

Miss L has said she has decided "*provisionally*" not to accept the bank's offer. She wants the whole debt to be written off or cancelled.

my findings

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

Having done so, I agree with the conclusions reached by our adjudicator for broadly the reasons given.

Notwithstanding the payment proposals made by Miss L and the fact that she later agreed to the MLA, I consider it would have been appropriate for HSBC to have sought more information about her finances, overall debt and her ability to make payments given that it had previously declined such an arrangement and given the discrepancy between the level of payment offered by Miss L and the CCCS budget plan.

I also consider it was apparent very quickly that the payments were unaffordable when the loan payments were reversed due to lack of funds and I find it would have been reasonable for the bank to have passed the debt to collection agents much earlier than it did.

But as our adjudicator has pointed out Miss L would have benefited from continuing to work with CCCS rather than making proposals and signing a MLA she could not afford or keep to.

Although there were clearly failings on the bank's part I do not consider that they oblige HSBC to write off the debt. Furthermore, in any event, I am also not persuaded it would be fair or reasonable for me now to require HSBC to write of the entire debt as Miss L suggests. But in all the circumstances and having regard to the level of awards we make I consider the bank's offer to refund a total of £1,246.52 to be fair and reasonable.

So, overall, I see no compelling reason to change the proposed outcome in this case.

my final decision

My decision is that HSBC Bank Plc should refund a total of £1,246.52 to Miss L's account.

Stephen Cooper
ombudsman