

## **complaint**

Mr C complains that HSBC Bank Plc acted irresponsibly when it lent him money he couldn't afford to repay. And he's unhappy that HSBC continued to chase the arrears on his loan account after he agreed a repayment plan.

## **background**

Mr C says HSBC continually increased the limit on his credit card to the point he struggled to keep up with repayments. Mr C borrowed money to clear the credit card and overdraft. As HSBC didn't cancel his overdraft or credit card, Mr C's debts increased. In 2008 he took out a managed loan to deal with his debts.

Mr C recently lost his job. He spoke to the bank and it agreed he could pay £50 a month instead of his usual monthly repayment. Mr C was upset when HSBC kept contacting him about the arrears on his account.

When Mr C complained about the bank's recent treatment of him, he also pointed out that HSBC had been irresponsible to lend him as much money as it did before taking out the managed loan.

Before this service became involved, HSBC told Mr C that it wouldn't agree to this service considering his complaint about the irresponsible lending as this happened more than six years ago.

HSBC apologised for not referring Mr C to the financial guidance team (FGT) when he told it about his unemployment. The bank explained Mr C would need to speak to the FGT and give details of his income and expenditure before it could agree a formal repayment plan. HSBC offered Mr C a £25 gift voucher to apologise.

Our adjudicator told Mr C that we couldn't consider his complaint about the irresponsible lending or managed loan as he'd brought it to us too late. She didn't recommend upholding Mr C's more recent complaint as she thought HSBC has done and offered enough.

Mr C doesn't agree that most of his complaint has been made out of time. He says HSBC didn't make him aware that he could complain about the lending or the managed loan. Mr C only became aware of this service very recently due to news coverage. He says he made his complaint as soon as he realised he had reason to.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I agree with the conclusions of our adjudicator

## *jurisdiction*

The rules that apply to this service, say - among other things – that we can't usually consider a complaint if it's referred to us more than six years after the event complained about or (if later), three years from the date the complainant should've been aware they had cause to complain.

All of the irresponsible lending that Mr C complains about took place before 2008. And the managed loan was agreed in October 2008. Mr C complained to us in June 2016 – almost 8 years after he took out the loan.

Mr C agrees that he's exceeded the six year time limit to bring his complaint. But he's unhappy that we've said we can't consider his complaint under the three year part of the rule.

Mr C says he wasn't aware in 2008 that he could complain about the bank's irresponsible lending. He says HSBC gave him little option but to agree the loan. Mr C says the bank told him if he defaulted on his payments, he could lose his house.

I'm sorry this is the case but I still find it reasonable to have expected Mr C to be aware he had cause to complain in 2008 – or at least shortly after. It follows that I find this part of his complaint has been made too late.

*arrangement to pay*

Mr C is unhappy about the bank's recent treatment of him after he lost his job. HSBC agrees the customer service team should've referred Mr C to the FGT to set up a formal arrangement.

I can understand Mr C's upset and frustration but I'm satisfied HSBC's done enough to put things right. It wrote to Mr C on 5 August 2016 and explained he should contact the FGT to set up a formal arrangement. And more recently HSBC agreed to accept £50 a month for three months from 1 November 2016.

Without details of Mr C's income and expenditure, I wouldn't expect the bank to agree a further formal repayment plan. I recommend that Mr C gives the bank these details so it can agree a suitable plan going forward.

I'm sorry that my decision is likely to disappoint Mr C. I leave it with him to speak to the bank if he now wants to accept the bank's offer of a £25 gift voucher.

**my final decision**

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 1 March 2017.

Gemma Bowen  
**ombudsman**