

complaint

Ms M complains that HSBC Bank plc has treated her unfairly because, despite having repaid the balance of a previous debt, the bank has still refused to allow Ms M to open a new account with it.

background

Ms M previously held an account with HSBC. In 2007, the account was closed and the outstanding balance of over £900 was passed to the bank's internal debt collecting agent. I understand that HSBC registered the default on Ms M's credit file, and this adverse information would have remained on Ms M's file for six years.

In 2012, Ms M made a successful PPI claim and the bank refunded the premiums Ms M had paid. Ms M signed a form agreeing for the majority of the funds to be allocated to the outstanding debt. (As our adjudicator had already explained, this service cannot comment on this any further, as Ms M accepted the bank's refund and agreed to funds being allocated to the outstanding debt.)

In 2013 Ms M applied to open a joint account with HSBC, but the bank declined the application.

Ms M complained to HSBC about its decision to decline the application. HSBC did not uphold Ms M's complaint and said that it has a commercial right to choose who to open accounts for. It also said that where it had previously been forced to close an account, it would not then look to open a new account for that customer at a later date.

Ms M was not satisfied with the response from HSBC and brought her complaint to this service. Our adjudicator did not recommend that Ms M's complaint should be upheld. She said that although Ms M had re-paid the balance owed, this did not mean that the bank was required to accept the new application.

Ms M was not satisfied with the adjudicator's view and asked for her complaint to be determined by an ombudsman. She said that at the appointment to open the joint bank account she was asked if she had previously had an account with HSBC, "*in a manner that the HSBC 'New Account' staff member already knew the answer to*" and that as she had told the staff member she had previously held an account with the bank the application should not have progressed any further.

Ms M also said that as the money she owed had been paid back in full - and not written off - she felt it was very unfair for the bank to have refused her application and not to have amended her credit file to show the debt had been paid back.

my findings

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

I am mindful of all the points that Ms M had made and I appreciate that she feels she has been treated very unfairly.

However, as both our adjudicator and HSBC have explained, there is no obligation on HSBC to open an account for Ms M, either on a joint or individual basis. HSBC has said that its account opening criteria do not allow accounts to be opened for customers where it has previously been forced to close an account held by the customer.

Ms M has said that the member of staff who handled the application should not have progressed it once they were aware that Ms M had previously had an account with the bank. I cannot reasonably agree with Ms M's position on this, as there is nothing to suggest that the member of staff was informed that the bank had previously been forced to close Ms M's account – and it is not the case that previous customers who chose to close their account are not permitted to open a new account.

I have considered all that Ms M has said about the entries on her credit file. Having done so, I cannot agree that the default on her credit file relating to the closure of her HSBC account in 2007 should have been removed, as it is a correct reflection of events. It is not in dispute that the debt was repaid to the debt recovery agent in 2012 from the proceeds of a PPI redress payment – but this does not mean that the earlier entry should be removed from Ms M's credit file as it is an accurate record of the bank's action. Ms M's credit file should, however, reflect that the debt was repaid to the debt recovery agent in 2012.

In summary, although I appreciate that Ms M feels she had been treated unfairly by HSBC, I cannot reasonably agree that the bank has acted incorrectly in this matter and I therefore cannot uphold Ms M's complaint.

my final decision

My final decision is that I do not uphold this complaint.

Suzannah Stuart
ombudsman