

## **The complaint**

Miss B complains about a decision taken by HSBC UK Bank Plc (“First Direct”) to decline her overdraft application.

Miss B is represented in her complaint by a third party. But for ease I will simply refer to Miss B in this decision rather than Miss B and her representative.

## **What happened**

In June 2023 Miss B applied to First Direct for an overdraft facility of £250 on her current account, which was declined.

Miss B’s complaint was considered by one of our investigators who came to the view that First Direct had done nothing wrong.

Miss B didn’t agree with the investigator’s view so her complaint has been passed to me for review and decision.

## **What I’ve decided – and why**

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 can confirm that I’ve come to the same overall outcome as the investigator and for broadly the same reasons. There is also very little I can usefully add to what has already been said.

As our investigator has previously explained, it isn’t for this service to interfere with a business’ commercial decision making. Our service is set up to resolve individual disputes based on what is fair and reasonable in the circumstances of the case – not to investigate or regulate a business’s processes and practices. That is for the regulator, the Financial Conduct Authority, to do.

However, our service can look to see if Miss B was treated fairly when she applied for her overdraft. That is, we can see what information was taken into account and consider whether Miss B has been treated any differently to other First Direct customers. And based on the submissions available to me, in the circumstances of this case, I think First Direct has treated Miss B fairly.

Miss B’s initial application was automatically declined by First Direct’s systems and so she requested the application be reviewed again. First Direct did this by passing the application to its underwriters for further consideration. I can see from the submissions that First Direct’s underwriters concluded the overdraft wasn’t affordable for Miss B and it didn’t meet its lending criteria.

I understand Miss B feels that First Direct should have approved her application, but that is First Direct's decision to make not Miss B's. As I've explained, it isn't for our service to tell First Direct when they should lend. And First Direct have to consider their responsibilities and obligations as a lender – including ensuring that they're satisfied an overdraft is affordable for someone. In this case, First Direct, in line with its lending criteria - concluded the overdraft wasn't affordable for Miss B.

I would also add that having considered First Direct's submissions I'm satisfied that it took everything into account about Miss B's personal and financial circumstances, including what Miss B says were grounds for her application to have been approved, before it took the decision to decline her application.

So, in summary, I can confirm that I've not seen anything to suggest that Miss B has been treated unfairly or any differently to other First Direct customers when First Direct applied its lending criteria.

Finally, and for the sake of completeness, I would add that having listened to two call recordings provided by First Direct I'm satisfied that First Direct acted professionally in all its dealings with Miss B and it certainly didn't intentionally mean to *"insult"* her.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 19 December 2023.

Peter Cook  
**Ombudsman**