

The complaint

Ms B is unhappy about the service she received from HSBC Bank Plc (“HSBC”) when she used her credit card to pay a deposit on a flat.

What happened

Ms B holds a credit card account with HSBC. On 12 July 2023 Ms B used the card to make two transactions totalling £5,463.33. The credit limit on Ms B’s card at the time was £5000.

Ms B made several calls to HSBC on 12 July 2023 trying to arrange a payment plan for the transactions she had undertaken to be repaid over a 12 month period.

Ms B was unhappy with the number of calls she had to make and the fact that no-one was able to help her. She complained to HSBC.

In its final response, HSBC apologised for any distress and inconvenience caused to Ms B. It said it was pleased that she had been able to resolve the issue and bring her balance back under her credit limit and set up a direct debit to bring the balance down. HSBC offered Ms B compensation of £150.

Ms B remained unhappy and brought her complaint to this service.

Our investigator didn’t uphold the complaint. They said that HSBC had acknowledged that its service had fallen short when Ms B was trying to arrange a payment plan and said they thought the compensation offered was fair.

Ms B didn’t agree so I’ve been asked to review the complaint.

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.

HSBC has acknowledged that it could’ve provided better service when Ms B called to arrange a payment plan. It has apologised for this and has offered compensation of £150. It has also waived the £12 over limit fee which was applied to Ms B’s account.

I’ve thought about whether the compensation offered fairly reflects the impact that the service issues had on Ms B. Ms B has told this service that she spoke to four different agents when she called HSBC on 12 July 2023. She says that none of them were able to help her and that it was only after further calls made in the following week that HSBC admitted that it hadn’t provided the level of service that she ought reasonably to expect.

I understand how frustrating it must’ve been for Ms B when she wasn’t able to obtain the advice she needed with regards to a payment plan. I also understand that she’s unhappy that she was warned that exceeding her credit limit might impact her credit file. Ms B has explained that she has been a customer of the bank for many years and has always had an excellent credit history. I’ve taken all these factors into account when considering whether

the compensation offered by HSBC was fair and reasonable.

Having done so, I think the compensation offered was fair. I say this because, although there were some service issues (which HSBC has acknowledged), it was Ms B who made the decision to enter into a transaction which caused her to exceed the credit limit. Ms B knew – or ought to have known – that exceeding the credit limit would have consequences. I don't think HSBC made an error when it charged an over limit fee and warned Ms B that this might impact her credit file.

I can see that Ms B had funds in other accounts which she used to clear some of the balance on the credit card. I can also see that a direct debit was set up to reduce the remaining balance. So although there were initial issues with customer service, I think HSBC acted within a reasonable time to try and resolve the situation with Ms B.

I understand that Ms B is also unhappy that she wasn't offered an interest free option to pay the balance. I understand from what Ms B has said that an interest free option became available after she had set up the payment plan. This wasn't included in Ms B's initial complaint to HSBC and therefore they haven't had the opportunity to investigate this. If Ms B wishes to pursue this point, she will need to raise a complaint about it to HSBC in the first instance.

Taking everything into account and for the reasons I've explained, I'm not upholding the complaint. I won't be asking HSBC to do anything further,

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 14 February 2024.

Emma Davy
Ombudsman