

## **The complaint**

Mr S complains about the way in which HSBC UK Bank Plc has applied an overdraft support plan to his accounts.

## **What happened**

In November 2022 Mr S submitted a request for an overdraft support plan in relation to an account held with HSBC. The overdraft support plan was a temporary measure brought in to help those in need to pay less for their arranged overdraft borrowing on eligible accounts.

HSBC approved an overdraft support plan for Mr S's account and wrote to him with confirmation of this on 14 November 2022. It confirmed that it wouldn't charge interest on the first £500 for 12 months.

On 14 March 2023 Mr S opened a new bank account in addition to his existing account. He applied for an overdraft limit of £500 on the new account which was approved.

Mr S applied for interest free support with the overdraft. This was approved and HSBC advised Mr S that it would end in November 2022.

He complained to HSBC. He was unhappy about the support ending in November 2022 and said the application stated that the support plan would be in place for 12 months if accepted. Mr S was also unhappy that HSBC had stated that application decisions would be processed in 7 days but his had taken much longer.

In its final response, HSBC said the support was provided for 12 months from when a customer first applies and not on a rolling basis on different accounts. It apologised for the delays in responding to Mr S and credited his account with £50.

Mr S remained unhappy and brought his complaint to this service.

Our investigator didn't uphold the complaint. He said the terms and conditions of the overdraft support stated that it would be applied to all eligible accounts and would be in place for 12 months when approved. The investigator also said that HSBC had paid £50 compensation for the delay in the support plan being approved which he thought was a fair and reasonable amount.

Mr S didn't agree. He said the application form for support states that the support would be for 12 months. He said he hadn't been given what he applied for.

## **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.

I've reviewed the terms and conditions of the overdraft support plan. These say that support is provided for 12 months from when a customer applies, and that support applies to all eligible accounts.

I can see that Mr S first applied for the overdraft support plan in November 2022. This was approved for a 12 month period i.e. until November 2023. At the time Mr S only held one account with HSBC, so the support plan only applied to that account.

I can see that Mr S opened another account in March 2023. The overdraft support plan was added to this account in May 2023.

I appreciate that Mr S wants the overdraft support plan to be in place on the new account for 12 months i.e. until May 2024. However, this isn't what the terms and conditions of the overdraft support plan say. The terms and conditions are clear in that the support applies for a 12 month period from when a customer first applies. In Mr S's case, he first applied in November 2022, so the support plan was due to end in November 2023.

I haven't seen anything in the terms and conditions which suggest that the overdraft support plan will start a new 12 month period for each new account it is applied to. So I can't say that HSBC has made an error by confirming to Mr S that the overdraft support plan ends in November 2023.

I appreciate that it took longer than expected to apply the overdraft support plan to Mr S's new account. HSBC has apologised for the delay experienced by Mr S. It has acknowledged that it should take 7 working days for an application to be reviewed but explained that it was facing high demand for the service and that it was taking longer than expected to respond to customers.

I can see that HSBC has already paid £50 compensation to Mr S in recognition of the delay in approving the overdraft support plan on the second account. I'm satisfied that this compensation was fair and reasonable and in line with what this service would award. I won't be asking HSBC to pay further compensation.

Taking everything into account, I'm unable to say that HSBC has made an error here or that it has treated Mr S unfairly or unreasonably. I'm therefore unable to uphold the complaint.

### **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 Mr S to accept or reject my decision before 3 January 2024.

Emma Davy  
**Ombudsman**