**The complaint**

Mr W is unhappy at the amount of charges and fees applied to his account by HSBC UK Bank Plc ("HSBC"). He doesn't believe the charges fairly reflect the cost of the service provided.

**What happened**

Mr W complained to HSBC about the charges applied to his account when his account became overdrawn. HSBC issued its final response to this in May 2019. Mr W complained again to HSBC about this and it issued a further final response on 11 January 2023.

HSBC didn't agree we could look at Mr W's complaint about the charges applied to his account prior to it issuing its first final response as it wasn't referred to us within six months of this and was outside the time limits.

But HSBC did agree to consider Mr W's complaint regarding its charges after this period from May 2019.

One of our adjudicators looked into Mr W's concerns and reached the conclusion HSBC hadn't done anything wrong or treated Mr W unfairly as there were no signs of financial difficulty and HSBC was entitled to charge Mr W when his account became overdrawn.

Mr W disagreed, he would like a refund of the charges applied to his account.

So the complaint was passed to an ombudsman for a final 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 considered everything provided, I've decided not to uphold Mr W's complaint. I'll explain why in a little more detail.

Mr W has referred to the proportionality of the charges applied to his account – he doesn't think the charges reflect the cost of service provided by HSBC and thinks that's unfair. But before I go any further, I want to be clear in saying that I haven't considered whether the various amounts HSBC charged over the years were fair and reasonable, or proportionate in comparison to the costs of the service provided.

Ultimately, how much a bank charges for services is a commercial decision. And it isn't something for me to get involved with. That said, while I'm not looking at HSBC various charging structures per se, it won't have acted fairly and reasonably towards Mr W if it applied any interest, fees and charges to Mr W's account in circumstances where it was aware, or it ought fairly and reasonably to have been aware Mr W was experiencing financial difficulty.

So I've considered whether there were instances where HSBC didn't treat Mr W fairly and reasonably. I don't think that HSBC did treat Mr W unfairly or unreasonably here though. I say this because having looked at Mr W's statements for the period in question from June 2019, I can see little to suggest that HSBC ought to have realised Mr W might have been experiencing financial difficulties.

Mr W's statements show that the account was barely used and certainly it doesn't appear to be Mr W's main account – indeed this account has now been closed. The account only became overdrawn on a handful of occasions as a result of having insufficient funds to pay direct debits. The direct debits were returned which brought his account back into credit and HSBC charged a fee for this as per the terms and conditions of the account.

I accept this doesn't necessarily mean that Mr W wasn't experiencing financial difficulty. But there isn't anything in these transactions in themselves which ought to have alerted HSBC to any potential financial difficulty before Mr W raised it.

So, in these circumstances and where charges have been applied correctly in line with the terms and conditions of the account, I don't think that it was unreasonable for HSBC to proceed with adding the interest, fees and charges that it did in light of how Mr W's account was being used. And I don't think that HSBC treated Mr W unfairly or unreasonably and this means that I'm not upholding this complaint.

**My final decision**

For the reasons I've explained, I'm not upholding Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 10 August 2023.


Caroline Davies
**Ombudsman**