

## **The complaint**

P, a limited company, complains that HSBC UK Bank Plc has unfairly declined its application for a business bank account.

P's complaint is brought by Mrs B, a director of P.

## **What happened**

P held a business bank account with HSBC which it closed in late 2022 due to an anticipated change in the way P ran its business. After the change didn't happen, P applied for a new business account in 2023 but HSBC declined its application.

Mrs B pointed out that despite HSBC saying her application was declined due a low credit score, she has a high credit score.

Our investigator didn't recommend that P's complaint be upheld. In summary he said that HSBC used a credit scoring system to assess applications and that P didn't meet the criteria. Our investigator said he was satisfied that HSBC had declined P's application fairly but couldn't share some of the information that he'd seen as it is commercially sensitive.

Mrs B was unhappy with the investigation outcome. She said she'd never been refused credit and that any outstanding debt she had was low and would be settled within a few days. Mrs B felt let down by HSBC after being a customer for many years.

As Mrs B remains unhappy with the outcome, the complaint has come to me to make 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.

I appreciate Mrs B frustration with HSBC's decision to decline P's business bank account application, particularly as she has been a long standing customer but this was a commercial decision that HSBC was entitled to make. This service won't usually interfere in a businesses' commercial discretion. However, I can still consider whether HSBC made the decision fairly.

Although Mrs B has provided evidence of her personal credit worthiness, it was P which applied for the business account with HSBC. So, when HSBC refers to having a low credit score, it means the credit score associated with P, rather than Mrs B.

As our investigator told Mrs B, businesses sometimes share information with us on a confidential basis. The evidence that HSBC has provided – some of which I can't share because of its commercial sensitivity – shows that P's bank account application was rejected in line with HSBC's internal processes.

I'm satisfied that HSBC treated P fairly when it provided the primary reason why it decided not to lend and gave the name of the credit reference agency it used to check P's credit score. As I don't think HSBC acted unreasonably, I am not asking it to take any further action in response to P's complaint. I am sorry if this comes as a disappointment to Mrs B.

**My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask P to accept or reject my decision before 9 January 2024.

Gemma Bowen  
**Ombudsman**