

The complaint

Mr S is a sole trader. He complains that HSBC UK Bank Plc acted unfairly in its handling of his Bounce Back Loan (BBL) account.

What happened

Mr S had a BBL from HSBC. BBLs were part of a government-backed scheme designed to help businesses get finance more quickly if they were adversely affected by the coronavirus outbreak.

In October 2022, HSBC issued a final response to a complaint from Mr S about events that gave rise to arrears on his BBL earlier in that year, around May 2022. The bank didn't uphold the complaint.

At the end of October 2022, Mr S had a phone conversation with the bank, during which he explained his difficulties with repayment. HSBC agreed to provide a 60-day breathing space period.

In January 2023, Mr S made a second complaint to the bank. He complained again about the arrears and about the information being recorded with credit reference agencies.

Mr S was also unhappy with the service he received – in particular, that the bank wasn't able to deal with the BBL problems in branch because they were handled by a specialist team, and that the phone call about the BBL was very long.

Mr S wasn't satisfied with the bank's response, so he referred his complaint to us.

Having looked at the evidence, our investigator didn't recommend that HSBC should be required to do anything further. In summary, he gave these reasons:

- The Financial Ombudsman Service can't investigate the first complaint Mr S made to HSBC about the arrears, because it wasn't referred to us within six months of the bank's final response and the bank haven't consented to us looking at it.
- Mr S's second complaint was referred to us in time, so we can consider it.
- However, part of the second complaint – about the arrears from May 2022 – was about the same subject matter as the first complaint, so we remain unable to consider that point.
- The investigator listened to the October 2022 phone call, and he didn't think the bank's representative did anything wrong. Mr S was told that the payments would be stopped but the arrears would continue, and he was also told about the credit reference agencies.
- The investigator didn't think it was unreasonable for HSBC to use a team of specialists to discuss BBLs.

Mr S wasn't happy with the investigator's conclusions and asked for an ombudsman to review the case.

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'm sorry to disappoint Mr S, but I've reached the same conclusions as the investigator and for largely the same reasons.

I agree with the investigator that we can't investigate the first complaint, about the events that gave rise to the arrears from May 2022, because it's out of time. The investigator has explained the requirements of the DISP rules in the Financial Conduct Authority Handbook, so I won't repeat them here. I also agree that we can't consider that same subject matter – the arrears from May 2022 – in the second complaint, and I've therefore looked only at the other aspects of the second complaint.

I also agree with the investigator that it wasn't unreasonable of the bank to deal centrally with problems that arose from the BBL. The scheme was unusual and had some complicated rules which had been established outside the bank. In the circumstances, I think it was reasonable for HSBC to have used a specialist team, which meant that branch staff weren't able to deal with all queries themselves.

I've listened to the recording of the October 2022 phone call. Given all the points that Mr S wished to make about his situation and the bank's need to obtain all the relevant details, I don't think the call was unreasonably long.

In my view, the bank representative acted courteously and sensitively. She arranged a breathing space agreement to help Mr S with his repayment difficulties.

Two days later, HSBC followed up the call with a letter confirming the details of the agreement. It pointed out that the bank would continue to share information about arrears with credit reference agencies – which I don't find unreasonable. The letter also gave contact details for debt counselling organisations.

I don't think the bank acted unfairly or unreasonably, either regarding how Mr S was treated during the phone call or regarding the terms of the breathing space agreement. In my view, the bank acted positively and sympathetically towards Mr S's difficulties.

My final decision

My final decision is that I don't require HSBC UK Bank Plc to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 20 February 2024.

Colin Brown
Ombudsman