

The complaint

Ms H is unhappy with several aspects of the service she received from HSBC UK Bank Plc.

What happened

To briefly summarise: Ms H has a credit account with HSBC which fell into arrears in late 2020 because Ms H stopped making monthly payments towards it. Ms H contacted HSBC in late 2020 and explained that she'd had to leave her previous home because of domestic abuse and was staying with a friend temporarily. Ms H also explained that she'd been signed off from work with long term sickness and had suffered a loss of income as a result.

In March 2021, with her credit account now significantly in arrears, Ms H spoke with HSBC again and confirmed that she couldn't afford to make payments towards her account at that time. Ms H also reiterated to HSBC that her mental and physical health had been impacted by what had happened to her and that she was no longer at her previous address.

On 16 September 2021, with no payments having been made towards the credit account for several months, HSBC sent a final demand to Ms H which demanded full payment of the outstanding balance. The final demand also explained that HSBC would stop applying interest to the account balance from that point and that they might default the account for non-payment if Ms H didn't fully repay the account balance as required.

Despite the issuance of the final demand, HSBC didn't move to default the credit account when Ms H didn't repay the account balance by the deadline given for her to do so. Although HSBC did remove the credit limit from Ms H's account, meaning that from November 2021, the monthly account statements showed a credit limit of zero and that the full outstanding balance of the credit account was outstanding for payment. And this position of Ms H's credit account with HSBC appears to have remained in place to this date.

In 2023, Ms H raised two separate complaints with HSBC – that HSBC had stopped her debit card from working on her current account, and that HSBC were calling her about her outstanding credit account debt at times she'd already explained to HSBC weren't suitable for her. HSBC responded to Ms H and explained that she'd requested a replacement debit card which had been issued to her and that her old debit card had stopped working because of this. HSBC also explained that they were unable to accommodate her request to not be called about her outstanding debt at specific times of the day.

Ms H wasn't satisfied with HSBC's responses, or with how HSBC were administering her outstanding credit account debt in general. So, she referred her complaint to this service.

One of our investigators looked at this complaint. They sympathised with Ms H's personal circumstances. But they didn't feel HSBC had acted unfairly as Ms H contended. Ms H remained dissatisfied and felt our investigator hadn't adequately addressed the focal point of her complaint – which was that HSBC hadn't made reasonable adjustments in response to her needs. So, the matter was escalated 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.

I note that Ms H has provided several detailed submissions to this service regarding her complaint. I'd like to thank Ms H for these submissions, and I hope she doesn't consider it a discourtesy that I won't be responding in similar detail here. Instead, I've focussed on what I consider to be the key aspects of this complaint, in line with this service's role as an informal dispute resolution service.

This means that if Ms H notes that I haven't addressed a specific point she's raised, it shouldn't be taken from this that I haven't considered that point – I can confirm that I've read and considered all the submissions provided by both Ms H and HSBC. Rather, it should be taken that I have considered that point but that I don't feel it necessary to address it directly in this letter to arrive at what I consider to be a fair resolution to this complaint.

I'd also like to confirm that this service isn't a regulatory body or a Court of Law and doesn't operate as such. Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the factors and circumstances of a complaint into consideration.

I highlight the above point because Ms H has stated that she doesn't feel that HSBC have made reasonable adjustments for them. In other words, that HSBC has failed their duty to make reasonable adjustments under the Equality Act 2010. I've taken the Equality Act 2010 into account when deciding this complaint – given that it's relevant law – but I've ultimately decided this complaint based on what's fair and reasonable. If Ms H wants a decision that HSBC has breached the Equality Act 2010, then she would need to go to Court.

Regarding Ms H's credit account, while I appreciate the difficult personal circumstances that Ms H experienced and the effects that these had on her mental and physical health, I feel that the fundamental point here is that Ms H owes HSBC a significant amount of money. And where an individual owes a business a credit account balance, as Ms H does here, then I feel it's fair that that individual should be pursued by that business for that balance. And this is even in consideration of any personal difficulties or health conditions that the individual that owes the balance might unfortunately be experiencing.

This isn't to say that HSBC shouldn't be mindful of Ms H's personal circumstances, including her health issues. But it is to say that I don't feel that Ms H's personal circumstances and health issues should fairly or reasonably be a barrier to HSBC pursuing Ms H for the money that she owes to them, or that it should prevent HSBC from acting against Ms H in the manner they would reasonably be expected to in similar instances of outstanding arrears.

Notably, while HSBC issued a final demand to Ms H in September 2021, they don't appear to have defaulted Ms H's credit account following her not repaying the account balance in line with that final demand. I can appreciate that this may have been because HSBC, being mindful of Ms H's personal circumstances, wanted to give her an opportunity to resolve her account debt without a default being recorded against her. But I must caution HSBC that if Ms H's account hasn't yet been defaulted, and if HSBC do choose to default the account moving forwards, that they should fairly backdate that default to a date that's appropriate as per the final demand letter issued in September 2021.

Ultimately, I don't feel that HSBC have done anything wrong here or acted unfairly regarding Ms H's credit account as she contends. And this is because Ms H hasn't met her contractual repayment obligations as per the credit agreement she signed and accepted.

And while Ms H has undoubtedly experienced significant personal difficulties, with which I can only sympathise, I feel that HSBC have provided a level of forbearance and accommodation to Ms H in response to their being made aware of those financial difficulties which appears to go above and beyond that which I would reasonably have expected. And I don't feel it's reasonable for Ms H to expect HSBC to only contact her about her outstanding debt at times of the working day that are most suitable for her.

Finally, regarding Ms H's debit card being stopped, HSBC have been able to demonstrate to my satisfaction that Ms H requested a replacement debit card which was issued to her by HSBC. Unfortunately, this replacement card wasn't received by Ms H, who therefore continued to use her existing card. But Ms H didn't inform HSBC that the replacement card she'd requested hadn't been received by her. And following the issuance of the replacement card, Ms H's existing card only had a set period which it was scheduled to remain working. And it was when this set period ended that Ms H's existing debit card stopped working.

Given that Ms H had requested the replacement debit card, I feel it was incumbent on her to have informed HSBC that it hadn't been received. And I don't feel that HSBC did anything wrong by stopping Ms H's previous debit card from working when it was scheduled to do, following the issuance of the replacement debit card to Ms H.

I realise this won't be the outcome Ms H was wanting here, but it follows from all the above that I won't be upholding this complaint or instructing HSBC to take any further action here. As mentioned, I can only sympathise with the difficult personal circumstances Ms H has experienced. But I don't feel that HSBC should fairly or reasonably have been expected to have not pursued her for her outstanding balance as they've done here, even in consideration of Ms H's personal circumstances. I hope that Mr H will understand, given what I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 12 February 2024.

Paul Cooper
Ombudsman