

## **The complaint**

Mr B is unhappy that HSBC UK Bank Plc declined his application for an Advance Account.

## **What happened**

Mr B applied online to HSBC for an Advance Account. His application was reviewed but then declined by HSBC. Mr B wasn't happy about this because HSBC staff with whom he'd spoken had told him that his application would be successful. So, he raised a complaint.

HSBC responded to Mr B and explained that they take several factors into consideration when assessing account applications. HSBC also said that, in this instance, Mr B didn't meet their criteria to be offered an Advance Account. However, HSBC did confirm that they'd be willing to offer Mr B a standard current account. Mr B wasn't satisfied with HSBC's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn't feel HSBC had acted unfairly in how they'd managed the situation and so didn't uphold this complaint. Mr B remained dissatisfied, 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.

In his correspondence with this service, Mr B has stated on several occasions that he feels HSBC declined his application for an Advance Account solely on the basis of his credit score. And Mr B feels that his credit score is sufficiently high for this to not be a valid reason.

However, it's been explained to Mr B by both HSBC and our investigator that his belief in this regard is incorrect. For example, while Mr B asserts that HSBC's response to his complaint confirms that his credit score was the sole deterrent factor, HSBC's response letter actually reads as follows:

*"When you apply for a product with us, we take a number of factors into consideration, information provided on your application, information we may hold on our system and information we may obtain from Credit Reference Agencies. Based on the information we have reviewed, we are unable to offer you an Advance Account but we are able to offer you a Bank Account."*

The above clearly explains that HSBC took several factors into account when assessing the application submitted by Mr B. These factors include not only information obtained from credit reference agencies, but also information provided by Mr B on his application as well as information that HSBC may already have held about Mr B on their systems.

Additionally, even if it was the case that HSBC based their decision solely on information present on Mr B's credit file, that would be a decision that I'm satisfied HSBC would fairly and reasonably be entitled to make. And I say this because it's entirely at the discretion of a

business such as HSBC whether they're willing to offer an account to an applicant or not.

Mr B is unhappy that HSBC staff in the branch he visited before making the application online indicated to him before he made his application that it would be successful. But I feel it stands to reason that a member of branch staff is unable to provide a 100% guarantee that an application submitted online will be approved – because that member of branch staff isn't responsible for assessing and deciding online applications.

HSBC have apologised to Mr B for their member of staff giving him a false expectation that his application would be approved. And they've also confirmed that feedback about the mistake has been provided to the branch in question to mitigate against similar errors being made moving forwards. This seems to me to be a reasonable response to this issue, and I don't feel that HSBC need to take a further or continuing action in this regard.

Mr B is also unhappy that HSBC won't remove the credit search relating to the application from his credit file. But Mr B did apply for an Advance Account, and the assessment of that application included a credit search. And the nature of applications is that they can sometimes be unsuccessful. HSBC have an obligation to make accurate reports to the credit reference agencies. And because they did conduct a credit check on Mr B as part of the application assessment process, I feel it's fair that this credit check should remain on Mr B's credit file – because it's an accurate reflection of what took place.

All of which means that I feel that the response that HSBC have already issued to Mr B about this complaint, including the apology for the incorrect information provided by their branch staff and their explanation of why his Advance Account application wasn't successful, already represents a fair resolution to what's happened here. And it follows from this that I won't be upholding this complaint or instructing HSBC to take any further or alternative action.

I realise this won't be the outcome Mr B was wanting, but I hope he'll 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 Mr B to accept or reject my decision before 22 December 2023.

Paul Cooper  
**Ombudsman**