

## **The complaint**

Miss S says HSBC UK Bank Plc (HSBC) were unreasonable to default her account.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my 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 know it will disappoint Miss S, but I agree with the investigator's opinion. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

The Information Commissioner's Office (ICO) says when a consumer is at least three months behind with their payments then a default may be registered. Miss S was much further behind than that when HSBC defaulted her account. I would expect HSBC to have been supportive when they were told of the difficulties Miss S was experiencing making repayments. I think they were as they agreed to suspend interest and charges and to set up repayment plans. But it wouldn't be fair not to default the account when it became clear that there was little prospect of Miss S being able to afford to sustainably repay the credit. I think that was the case by the time the account was defaulted.

Miss S says there were mitigating circumstances. She's explained the bank made mistakes and I've noted from their system files, and correspondence, that they do appear to have promised to recall the debt and remove the default. But, considering the arrears on the account and Miss S's lack of disposable income, I think that advice was unhelpful. In those circumstances, I think HSBC were right to reverse that decision and default the account. I can understand that it would have been distressing for Miss S to have received inaccurate advice, but I can see HSBC compensated her for that and I think the amount they paid was fair in the circumstances.

Ultimately, while I have sympathy for Miss S's situation, I'm afraid I don't think HSBC were unreasonable to default the account.

## **My final decision**

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 8 March 2024.

Phillip McMahon  
**Ombudsman**