

The complaint

Mr M complains HSBC UK Bank Plc have recorded late markers for his overdraft incorrectly. He's also unhappy with the customer service he received when setting up the payment plan.

What happened

As I understand it, following an account switch in March 2023 Mr M was left with an outstanding overdraft balance, where no overdraft had been agreed. Mr M set up a repayment plan for this but said he experienced very poor customer service when doing so. The information I have shows a payment plan was set up on 11 April 2023 for £250 per month – with the first payment due 1 May 2023, and the last due 1 October 2023. Mr M then received a notification suggesting he'd missed the May 2023 payment, when he hadn't. So, he complained.

HSBC replied on 13 June 2023 saying they'd asked for the missed payment in May 2023 to be removed, and they'd asked the manager of the agent who took the call on 11 April 2023 to listen to it with them – which they'd said they would.

Mr M got back in touch with HSBC on 25 July as the matter hadn't been resolved yet. He felt it was stopping him getting a mortgage, and that at this point he was due some compensation. I understand Mr M stopped his payments at this time, as he felt HSBC weren't dealing with things properly.

In a later response on 14 August 2023, HSBC said all missed payment markers for May, June and July had been removed – and they'd compensated Mr M with £100. This was credited to Mr M's current account with them.

Overall unhappy with HSBC's responses, Mr M asked us to look into things.

One of our Investigators did so, and found HSBC had put matters right for Mr M.

He didn't accept this, saying HSBC were reporting six late payment markers on his account. HSBC said Mr M didn't make a payment in April 2023 when his account switched over, or in August, September and October 2023 as he agreed to do in the plan. So, technically, four late payments should be showing – but they'd arranged to remove the August missed payment. Why there was a six-marker showing HSBC said they weren't sure – but they were sure they were reporting the information correctly. Mr M felt the late payment in April shouldn't be applied, and on each occasion there has been an issue he said he's spent an hour on the phone trying to sort the issue out.

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.

Late / missed payment markers

The first question for me is what markers should be showing on Mr M's credit file – and then I'll consider the customer service he's received.

I've seen evidence showing Mr M switched his account in March 2023. And, although he's said he made a payment in April 2023 towards the overdraft that isn't reflected on the statements I've been provided with. The first payment is 1 May 2023.

So, at face value, it would appear appropriate for April 2023 to be recorded as a late payment.

I have though listened to the call on 11 April 2023 where the plan was discussed. I don't hear in it Mr M being told he'd have a missed payment be reported for April 2023.

No negative information should then be recorded for May, June and July 2023 – as I can see Mr M did make payments.

But, following Mr M's frustration with HSBC's service, I can see he's told us he stopped making payments for the August, September and October instalments which were due. I'll come back to Mr M's frustration, but he has an obligation to repay the debt he has with HSBC. And, HSBC have an obligation to report true and accurate information to the credit reference agency.

So, it would appear HSBC think Mr M should have four missed payments reported on his credit file – April, August, September and October 2023. I don't agree, and think only payments August, September and October 2023 should be reported as missing.

But, HSBC have removed the August 2023 missed payment. This isn't something I think they needed to do – and as things stand this means Mr M is left with three missing / late payment markers – which is the correct *amount* of missed markers albeit not necessarily the correct ones. Given HSBC's previous issues of trying to get Mr M's credit file properly updated, I won't be asking them to do anything further regarding this point – as overall Mr M's credit file is in the correct place.

Customer service

When Mr M first contacted us, his concern was about a call on 11 April 2023 with an agent who Mr M said he didn't know what he was doing and was incompetent.

I've listened to the call. It was long at one hour. But, in the call Mr M needed to be taken through an income and expenditure process in order to set up the payment plan. This gathers all of the information about his income and what he spends his money on – breaking it down as granular as for example gathering information about each credit card plus TV Licencing and all his other bills – so it naturally takes quite a long time.

I didn't hear anything in the call that made me think the agent didn't know what he was doing or was incompetent. The agent asked lots of sensible and relevant questions I've heard in other calls when someone is setting up a payment plan. It may have helped the call if the agent had told Mr M this earlier in the call – but I did hear him saying sorry he didn't explain that during the call which is as I'd expect.

I can hear at one point the agent was looking to set up a plan for £175, but that'd only have been for open accounts. At this point Mr M's account was being switched out – so was considered a closed account. But, the information the agent gathered was all necessary to set up the plan which ultimately was for £250 a month.

Overall in relation to this call I think the agent handled it perfectly fine.

I've noted Mr M has said he's had lots more frustration speaking to HSBC when trying to sort this out since their last response to him. I've looked at the notes HSBC have provided for this, and overall think their notes suggest things have been handled fairly.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 21 March 2024.

Jon Pearce
Ombudsman