

The complaint

Mrs T is unhappy that HSBC UK Bank Plc have reduced her overdraft limit.

What happened

Mrs T has a current account with HSBC on which she had an overdraft limit of £1,500. In June 2023, HSBC reduced Ms T's overdraft limit to £1,350, after giving her notice in advance that they would do so. Following this, HSBC made further reductions to Mrs T's overdraft limit – to £1,050 in September 2023 and then to £500 in December 2023.

Mrs T wasn't happy about this and wanted HSBC to restore the £1,500 overdraft limit back to her account. And she also wasn't happy that HSBC hadn't recorded her health issues and disabilities, or that HSBC hadn't responded to live chat messages she'd sent to them. So, she raised a complaint.

HSBC responded to Mrs T and confirmed that they had made the commercial decision to lower her overdraft limit. HSBC also confirmed that while they had no record of Mrs T's health issues and disabilities at that time, that they would record them on their systems moving forwards. Finally, HSBC said that they couldn't find any live chat correspondence from Mrs T and invited her to contact them via that channel. Mrs T wasn't satisfied with HSBC's response, so she referred her complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that HSBC had acted unfairly in how they'd managed the situation and so didn't uphold the complaint. Mrs T 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.

Having done so, I feel that it's important to start here by confirming that an overdraft facility isn't a right that a bank account holder has. Rather, if a bank such as HSBC chooses to provide an overdraft facility to an account holder, then that facility is provided entirely at the discretion of that bank.

In this instance, HSBC have reduced Mrs T's overdraft limit because they've made a commercial decision such that they're no longer willing to provide the level of overdraft that they were previously providing to her. And, ultimately, I'm satisfied that this is a commercial decision that HSBC are entitled to make.

HSBC have explained their reasons for reducing Mrs T's overdraft limit to Mrs T, both via their interaction with Mrs T directly and via this service. The rationale that HSBC have given for reducing Mrs T's overdraft limit doesn't seem unreasonable to me, and I can understand why they've made the commercial decision to reduce Mrs T's overdraft limit that they have.

Furthermore, from monitoring Mrs T's account, HSBC have reduced her overdraft limit in

increments so that they could ensure that reducing her overdraft limit wouldn't put her in financial difficulty. And on each occasion, HSBC gave Mrs T advance notice that they would reduce her overdraft limit. Accordingly, I don't feel that HSBC have treated Mrs T unfairly in how they've implemented the reduction of her overdraft limit.

I can, of course, appreciate, that Mrs T would like the £1,500 overdraft limit that she previously had on her account. But as explained previously, Mrs T has no right to this overdraft limit, or any overdraft limit, and it's for HSBC to decide what level of overdraft they're willing to provide to her. It should also be noted that it would be within HSBC's rights to reduce Mrs T's overdraft limit further, or even completely, should they make the valid commercial decision to do so.

Mrs T is also unhappy that HSBC had no record of her health issues or disabilities, which she'd previously advised them about. Conversely, HSBC say that they weren't formally made aware of Mrs T's health issues and disabilities until when Mrs T raised her complaint with them about her reduced overdraft limit.

Where the testimonies of a complainant and a respondent business sit in contradiction with one another, as they do here, I must decide which of the two version of events I feel it most likely to be correct, on balance, and in consideration, of all the information available to me. In this instance, I find HSBC's position that they weren't previously aware of Mrs T's health issues and disabilities to be persuasive.

The reasons I've taken this position include while Mrs T has explained that she's previously told HSBC about her health issues and disabilities, she hasn't provided any evidence of this. And given that the nature of Mrs T's health issues and disabilities means that verbal communication is very difficult for her, I would have expected some form or written notice to have been available, if it had been given to HSBC.

Mrs T also complained that HSBC didn't respond to online chat messages that she sent them. But again, HSBC have no record of these messages, and Mrs T also hasn't provided evidence of them. As such, I don't feel that I can reasonably uphold this aspect of Mrs T's complaint for similar reasons to those outlined in the previous paragraph.

Finally, Mrs T is unhappy that HSBC haven't responded to a request she made to them for a new secure key on 26 June 2023. However, this service can only consider points of complaint that have been previously referred to the responded business, and which that business has therefore had the opportunity to consider and formally respond to.

In this instance, this aspect of Mrs T's complaint doesn't appear to have been raised by her as a point of complaint with HSBC directly. And I note that the complaint response email which gave Mrs T the right to refer her complaint to this service was sent by HSBC on 25 May 2023 – and thus before Mrs T made her request to HSBC on 26 June 2023. I feel that this confirms that this aspect of Mrs T's complaint doesn't fall within the scope of what I'm permitted to consider here. And I can only refer Mrs T to HSBC to raise this matter with them directly as a new complaint, should she wish to do so.

All of which means that I don't feel that HSBC have acted unfairly towards Mrs T as she contends 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 Mrs T was wanting, but I hope she can 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 Mrs T to accept or reject my decision before 13 June 2024.

Paul Cooper
Ombudsman