

To: Nicholas Wilson

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Copy to: FCA Complaints Team

31<sup>st</sup> December 2019

Dear Mr Wilson

## **HSBC**

As you know, although I no longer have a live complaint from you to investigate, I have undertaken to monitor the FCA's progress in pursuing the issue of redress for HSBC's customers. I have been particularly concerned that you should receive as much information as is possible within the confines of the legislative and policy restrictions on the disclosure of confidential information.

I have received a progress report from the FCA, and the FCA has agreed that I should pass on the following information.

You have provided the FCA with a dataset of approximately 119,000 records and you estimate that the unreasonable debt collection charges (DCC) may amount to £200m which should be repaid to consumers. The FCA has told me that it has obtained from the Ministry of Justice (MoJ) details of all County Court judgments relating to defaulted consumer credit agreements made through Northampton County Court Business Centre. This data covers the period from 2003 until October 2009, relating to Restons and Weightmans (the MoJ Records). This date range was selected as it corresponds to the period in which the unreasonable DCC was imposed. Northampton County Court was selected as it is the dedicated centre for bulk users, including HFC and JLFS. Restons and Weightmans were selected as the solicitors who handled the great majority of the debt collection cases on behalf of the regulated firms.

The MoJ Records were subsequently shared with HSBC to consider along with their existing data sources and inform their redress exercise. The FCA has asked me to explain a number of points about the redress exercise:

1. The MoJ Records contain substantially more detail than the dataset you provided.
2. The FCA's analysis included cross-referencing the full MoJ Records with your dataset. This process has established two important facts. First, the MoJ Records include a population of cases that were not included in your data. Secondly, a number of cases were conclusively proven not to have related to HFC or JLFS credit agreements. For that reason, the FCA is satisfied that your dataset, while a useful starting point, is not an accurate or comprehensive record of cases where redress may be due to customers.

3. HSBC has contacted potentially impacted customers, consisting of:
- a. customers within the January 2017 redress exercise;
  - b. customers where HSBC's subsequent analysis evidences that the customer paid the DCC (including those whose cases were not addressed through a court process); and
  - c. HSBC is contacting any customers who have been newly identified as potentially impacted.

The FCA has asked me to emphasise that customers will be compensated where the records indicate they paid unreasonable DCC. Where the records show that customers paid their outstanding debt but do not determine whether DCC were applied and paid, customers will be written to and invited to share their recollections. Customers will be compensated where their recollections indicate they have paid unreasonable DCC.

Finally, and importantly, there may yet be more customers identified who are or potentially are owed redress. The FCA has reiterated that, as Andrew Bailey has said, there is no fixed limit on any compensation due and the redress process will be governed solely by the evidence.

The FCA is continuing to monitor this exercise, and I will continue to seek progress reports.

I hope that this information is of some use to you.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Antony Townsend', with a large loop at the end of the name.

Antony Townsend  
Complaints Commissioner