

9 December 2014

HSBC Sees Increase in Customers Avoiding Overdraft Fees

Over 1.2m text alerts sent since November changes

Over two thirds of **first direct** and over 40% of HSBC customers who received overdraft text alerts¹ have avoided fees by crediting their account the same day, following the introduction of a new overdraft charging structure last month. Changes to overdrafts include simplified charges and text alerts if customers spend over their limit, with over 1.2m texts sent since 10 November 2014.

Francesca McDonagh, **Head of Retail Banking at HSBC UK**, said:

“Customer feedback on our overdraft text service has been extremely positive and with Christmas fast approaching the text alerts will help customers avoid charges at what can be an expensive time of year.”

HSBC and **first direct** customers who stay within their agreed overdraft limit pay overdraft interest between 11.9% and 19.9% EAR² with no additional charges.

If customers go over their limit, and we hold a mobile phone number for them, they will receive a text message unless they choose to opt out. Customers will not be charged if their balance is back within its prearranged limit before 11.45pm on the same day.

Further information about overdraft changes since 10 November 2014:

- There is no fee for an informal (i.e. not prearranged) overdraft request of £10 or less
- Informal overdraft charges will not be higher than the amount by which a customer exceeds their limit in each charging period (e.g. the cost of a £15 informal overdraft will be limited to £15 even if the customer remains over their limit for more than three days)
- Charges will be capped at £80 in one monthly charging period (charges were previously capped at £150)
- HSBC and **first direct** customers whose payments are declined due to insufficient funds are not charged a fee. This fee was removed in November 2013
- If overdraft interest and fees alone cause an account to go over limit no overdraft usage fee will be charged

- Customers will not be charged further overdraft usage fees if their account remains in informal overdraft for more than 30 consecutive days
- HSBC and **first direct** customers who make a withdrawal from an HSBC ATM will be warned that they may incur a fee if the withdrawal takes them over their overdraft limit
- Customers are given at least 14 days' notice before fees are debited from their account.

- ends -

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Notes to Editors:

¹ HSBC and **first direct** has introduced new text alerts to help customers keep track of their account and avoid informal overdraft usage fees. If customers provide a mobile number they will be alerted as follows:

Projected Informal: We agreed an informal overdraft to cover payment(s). To avoid the £5 daily fee, your account must be within formal limit at 23:45 today.

Confirmed Informal (on the first day you are over the limit): We agreed an informal overdraft to cover payment(s). If you bring your account within formal limit you will avoid further £5 daily fees.

Unpaid alert when we do not pay a direct debit, standing order, future dated bill payment or cheque: Some of today's Direct Debit/Standing Order payments may not be paid unless there is sufficient available balance at 3.30pm.

² The first £500 for HSBC Premier customers and the first £250 for **first direct** customers is interest free.

HSBC Bank plc

HSBC serves 16.1 million customers in the UK and employs approximately 43,500 people. In the UK, HSBC offers a complete range of personal, premier and private banking services including [bank accounts](#) and [mortgages](#). It also provides commercial banking for small to medium businesses and corporate and institutional banking services. HSBC Bank plc is a wholly owned subsidiary of HSBC Holdings plc.

The HSBC Group

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from over 6,200 offices in over 74 countries and territories in Asia, Europe, North and Latin America, and the Middle East and North Africa.

With assets of US\$2,729bn at 30 September 2014, HSBC is one of the world's largest banking and financial services organisations.